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AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION BILL, 1990

JULY 25 (legislative day JANUARY 3), 1989.—Ordered to be printed

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Mr. BURDICK, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 2883]

The Committee on Appropriations, to which was referred the bill (H.R. 2883) making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1990, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

TOTAL OBLIGATIONAL AUTHORITY, FISCAL YEAR 1990

Amount of bill as passed by the House	$42,129,434,000
Amount of change by Senate Committee	2,123,612,000
Amount of bill as reported to Senate	44,253,046,000
Amount of 1989 appropriations acts to date	46,776,546,000
Amount of estimates, 1990	42,129,466,000
The bill as reported to the Senate:	
Under the appropriations provided in 1989	−2,523,500,000
Over the estimates for 1990	2,123,580,000
Over the House bill	2,123,612,000

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BREAKDOWN BY TITLE

The amounts of obligational authority for each of the five titles are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

	1989	1990 Committee recommendation
Title I: Agricultural programs	$11,531,838,000	$7,744,000,000
Title II: Rural development and assistance programs	12,369,606,000	11,641,571,000
Title III: Domestic food programs	16,828,009,000	18,846,295,000
Title IV: International programs	1,199,836,000	1,106,195,000
Title V: Related agencies	746,629,000	750,424,000
Total, new budget (obligational) authority	42,675,463,000	40,088,485,000
Transfers from section 32	4,101,083,000	4,164,561,000
Total obligational authority	46,776,546,000	44,253,046,000

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the First Concurrent Resolution. The following table provides these data:

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1990: Subcommittee on Agriculture, Rural Development, and Related Agencies	45,066	[1] 44,794	31,434	[2] 31,298
Projections of outlays associated with budget authority recommended in the bill:				
1990	.....	.....	.....	[3] 27,006
1991	.....	.....	.....	3,734
1992	.....	.....	.....	373
1993	.....	.....	.....	173
1994 and future year	.....	.....	.....	250
Financial assistance to State and local governments for 1989 in the bill	.....	10,744	.....	9,012
	Direct loans		Loan guarantees	
Credit authority estimates, fiscal year 1990	6,128	5,969	1,600	1,626

[1] Includes permanent.
[2] Includes outlays from prior-year budget authority.
[3] Excludes outlays from prior-year budget authority.

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OVERVIEW AND SUMMARY OF THE BILL

The Agriculture, Rural Development, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture [USDA]. These programs include agricultural research and extension activities, a variety of conservation programs, farm income and commodity price support programs, a number of marketing and inspection activities, several domestic food programs, and the various export and international activities of USDA. The rural development title of the bill includes funding levels for Farmers Home Administration and Rural Electrification Administration programs.

The bill also provides funding for the Food and Drug Administration and the Commodity Futures Trading Commission, and establishes a limitation on the administrative expenses of the Farm Credit Administration and the Farm Credit System Assistance Board. The bill also provides money to the Department of the Treasury for payments to the Farm Credit System Financial Assistance Corporation.

Given the budgetary constraints that the Committee faces, the bill as reported provides the proper amount of emphasis on agricultural and rural development programs. It is within the subcommittee's 302(b) allocation and funds high priority programs in the full amount necessary despite what the President may have requested.

Many popular programs that were proposed for elimination or significant reduction by the President, have been restored. Several examples include the extension programs, agricultural research programs, rural electrification loan levels, conservation cost-share programs, and the Farmers Home Administration rural development and rural housing loan programs.

The nutrition and health programs are funded to the full extent necessary to meet current estimates of participation and need. Significant increases over the 1989 level are included for the feeding program for women, infants, and children [WIC], Food and Drug Administration programs, including AIDS research and education, and the Nutrition Assistance for Puerto Rico Program.

The Committee has also provided a Public Law 480 program level that is increased over the 1989 level.

All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of USDA, FDA, CFTC, and Farm Credit System agencies. Details on each of the accounts, the funding level, and the Committee's justifications behind the funding levels are included in the report.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Appropriations, 1989	$1,762,000
Budget estimate, 1990	[1] 1,789,000
House allowance	2,789,000
Committee recommendation	1,789,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 220–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 United States Code 450c–450g.

COMMITTEE RECOMMENDATIONS

For the Office of the Secretary, the Committee recommends an appropriation of $1,789,000. This amount is $27,000 more than the 1989 appropriation, the same as the budget request, and $1,000,000 less than the House level. The Committee continues the practice of appropriating funds for the Under and Assistant Secretaries in separate accounts.

The Committee does not concur with the House in providing $500,000 for development of a plan regarding the Commodity Credit Corporation and section 32 funds.

Also, the Committee does not concur with the House in providing $500,000 for the compilation of methods used by foreign countries to protect their domestic agriculture. While this information would be very helpful, the Committee notes that such trade information is available through the Foreign Agricultural Service and the Office of the U.S. Trade Representative; therefore, additional appropriations are not necessary.

OFFICE OF THE DEPUTY SECRETARY

Appropriations, 1989	$363,000
Budget estimate, 1990	[1] 397,000
House allowance	397,000
Committee recommendation	397,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

COMMITTEE RECOMMENDATIONS

For the Office of the Deputy Secretary, the Committee recommends $397,000, the same as the budget request and the House level, and $34,000 more than the 1989 level.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 1989	[1] $4,389,000
Budget estimate, 1990	[1] 4,554,000
House allowance	4,554,000
Committee recommendation	4,554,000

[1] The Office of Budget and Program Analysis was included as part of the departmental administration's 1989 appropriation and 1990 budget proposal.

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and alternatives and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the descisionmaking process; and provides Departmentwide coordination for and participation in the presentation of budget related matters to the committees of the Congress, the press, and interested public. The Office also provides Departmentwide coordination of the preparation and processing of legislative programs and reports; and develops and maintains a mission-oriented program structure which defines Department missions, goals, and objectives for the purpose of establishing long- and short-range program planning.

COMMITTEE RECOMMENDATIONS

For the Office of Budget and Program Analysis, the Committee concurs with the House in making an appropriation separate from the departmental administration appropriation, and recommends $4,554,000, the same as the budget request and the House level, and $165,000 more than the 1989 level.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 1989	$467,000
Budget estimate, 1990	[1] 474,000
House allowance	467,000
Committee recommendation	474,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to accounting functions, real and personal property management, automated data processing, personnel management, development and dissemination of departmental information resources management, and other general administrative functions. In addition, the Office of the Assistant Secretary is responsible for all activities financed under the Department Working Capital Fund (7 U.S.C. 2235).

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Administration, the Committee recommends an appropriation of $474,000, $7,000 more than the amount for 1989 and the House level, and the same as the budget request.

RENTAL PAYMENTS, USDA

Appropriations, 1989	$50,659,000
Budget estimate, 1990	50,659,000
House allowance	49,467,000
Committee recommendation	49,467,000

This appropriation was established by the Agriculture, Rural Development and Related Agencies Appropriations Act of 1983 (Public Law 97-370) to finance the appropriated portion of the payments to the General Services Administration [GSA] for rental of leased space and related services to all USDA agencies except the Forest Service which is funded in another appropriation bill.

Agency budget estimates for Rent are based on GSA's projection of what it will charge the agency in a given budget year. GSA sets rates according to the market value of property or space occupied, and independent of any agency input. Rent receipts are placed in a fund used by GSA in the management of its real property operations. All Federal Government agencies utilizing Government-owned or leased property pay into this fund, which provides GSA with a pool of capital to support overall Government space needs. In effect, agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide for vacant space in GSA's inventory.

COMMITTEE RECOMMENDATIONS

For USDA rental payments, the Committee recommends an appropriation of $49,467,000, $1,192,000 less than both the amount provided in 1989 and the budget request, and the same as the House level. Included in this amount are funds for the management of security services.

BUILDING OPERATIONS AND MAINTENANCE

Appropriations, 1989	$21,297,000
Budget estimate, 1990	23,609,000
House allowance	23,033,000
Committee recommendation	23,033,000

On October 1, 1984, the General Services Administration [GSA] delegated the operations and maintenance function for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the five buildings in the D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986. One building is the Government-owned warehouse for forms in Lanham, MD, and the other is a leased warehouse for the excess property operation located at 49 L Street, SW, Washington, DC. GSA retains responsibility for major nonrecurring repairs.

COMMITTEE RECOMMENDATION

For building operations and maintenance, the Committee recommends an appropriation of $23,033,000. This amount is $1,736,000 more than the 1989 level, the same as the House level, and $576,000 less than the budget request.

ADVISORY COMMITTEES

Appropriations, 1989	$1,494,000
Budget estimate, 1990	1,494,000
House allowance	1,494,000
Committee recommendation	1,494,000

The Department of Agriculture and several of its agencies utilize advisory committees to provide supplemental and specialized expertise. These advisory committees are comprised of experts and professionals from the academic and private sectors. The Assistant Secretary for Administration is the principal Department officer responsible for performing functions and coordinating activities of these committees.

The following table displays advisory committees that are proposed for fiscal year 1990:

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)

Policy area and committee title	1990 estimated	
	Membership	Funds
FOOD AND CONSUMER SERVICES		
National Advisory Council on Child Nutrition	19	$35,326
National Advisory Council on Maternal, Infant, and Fetal Nutrition	21	40,210
National Advisory Council on Commodity Distribution	15	77,341
Dietary Guidelines Advisory Committee	9	104,280
Total	64	257,157
SCIENCE AND EDUCATION		
National Agricultural Research and Extension Users Advisory Board	25	221,200
National Arboretum Advisory Council	16	12,909
Human Nutrition Board of Scientific Counselors	15	18,593

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)—Continued

Policy area and committee title	1990 estimated	
	Membership	Funds
National Plant Genetic Resources Board	18	28,147
Policy Advisory Committee for Science and Education Research Grants Program	17	20,800
Animal Health Science Research Advisory Board	12	20,400
Cooperative Forestry Research Advisory Council	16	31,700
Committee of Nine	9	33,300
Biotechnology Recombinant Research Advisory Committee	13	121,000
Total	141	508,049
MARKETING AND INSPECTION SERVICES		
Grain Standards Act Advisory Committee	15	68,396
National Advisory Committee on Meat and Poultry Inspection	18	26,870
National Advisory Committee on Microbiological Quality Standards for Food	20	50,000
Advisory Committees on:		
Foreign Animal and Poultry Diseases	23	26,339
Swine Health Protection	18	9,570
National Advisory Committee on Cotton Marketing	17	45,404
General Conference Committee of the National Poultry Imp. Plan	10	17,680
National Advisory Committee on Animal Damage Control	20	38,950
Total	141	283,209
INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS		
Agricultural Policy Advisory Committee for Trade	51	14,810
Technical Advisory Committees for Trade in:		
Cotton	18	13,737
Fruits and vegetables	23	13,737
Grain and feed	14	14,810
Livestock and livestock products	17	14,810
Oilseeds and oilseed products	8	13,737
Poultry and eggs	12	13,737
Tobacco	9	13,737
Dairy products	16	13,737
Sweeteners	12	13,737
Processed food	([1])	13,737
Agribusiness Promotion Council	30	24,430
Total	210	178,756
SMALL COMMUNITY AND RURAL DEVELOPMENT		
National Commission on Agriculture and Rural Development	14	100,000
ECONOMICS		
National Agricultural Cost of Production Standards Review Board	11	31,500
DEPARTMENTAL ADMINISTRATION		
Citizen's Advisory Committee on Equal Employment	22	75,212
New requirements and contingencies		60,117
Total, advisory committees	603	1,494,000

[1] Committee is in the process of being established.

COMMITTEE RECOMMENDATIONS

For advisory committees for the Department of Agriculture, the Committee recommends an appropriation of $1,494,000, the same as the fiscal year 1989, the House, and the budget request levels.

HAZARDOUS WASTE MANAGEMENT

Appropriations, 1989	$5,000,000
Budget estimate, 1990	25,688,000
House allowance	20,000,000
Committee recommendation	20,000,000

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous waste as private businesses. The Department is required to contain, cleanup, monitor, and inspect for hazardous waste in areas covered by the Department or within departmental jurisdiction.

COMMITTEE RECOMMENDATIONS

The Committee recommends $20,000,000 for hazardous waste management. This amount is $15,000,000 more than the 1989 level, $5,688,000 less than the budget request, and the same as the House amount.

DEPARTMENTAL ADMINISTRATION

Appropriations, 1989	$21,533,000
Budget estimate, 1990	22,500,000
House allowance	22,022,000
Committee recommendation	22,022,000

The departmental staff offices provide staff support to the top policy officials of the Department and overall direction and coordination of the work of USDA's program agencies to ensure the efficient and effective management and operation of the Department.

Activities carried out by the departmental staff offices include:

Overall direction and administration of the Department's budgetary functions including development, presentation, execution control, reporting, and adjustment of funds and manpower resources; evaluation of program and legislative proposals for program, budget, and related resource implications; and analysis of program and resource issues and alternatives, and preparation of summaries of pertinent data to aid departmental policy officials and agency program managers in the decisionmaking process;

Departmental leadership, oversight, and policy development in the areas of real and personal property, procurement, contracts, financial affairs, management improvement, and automated data processing;

Guidance in and support of the personnel management program of the Department;

—Overall leadership and coordination for the Department's programs for equal opportunity and civil rights; implementation and administration of programs under sections 8 and 15 of the Small Business Act; and direction of the Department's efforts to further the participation of minority colleges and universities in departmental programs; direction and monitoring of compliance in promoting full and open competition in procurement;

—Departmental leadership, development, and evaluation of programs in finance, accounting, Federal assistance, occupational safety and health, travel, productivity improvement, management improvement; and provision of budget, accounting, and fiscal services to the Office of the Secretary and Departmental staff offices;
—Administration of regulatory hearings and decisions by the administrative law judges who hold rulemaking and adjudicatory hearings and issue initial decisions and orders, and by the judicial officer who serves as final deciding officer in regulatory proceedings;
—Development and dissemination of departmental information resources management [IRM] standards, guidelines, rules, and regulations necessary to implement approved IRM principles, policies, and programs that improve the operational effectiveness of USDA's programs; provision of telecommunications and automated data processing [ADP] services to USDA agencies and staff offices;
—Development of policies and procedures to minimize and control burdens associated with collection of information by the Department from individuals, businesses, and other private institutions, and State and local governments;
—Development of policies and procedures to provide required long-range IRM planning for the Department and to guide the planning of its agencies; and
—Development of policies and procedures for the required review, monitoring, and oversight of major agency and departmental information resources management programs.
—Development of policies and procedures for USDA's proportional share of the communications system being developed as part of the National Security and Emergency Preparedness Program. Participation in the NCS is required under National Security Directive 201 of December 1985.

COMMITTEE RECOMMENDATIONS

For departmental administration, the Committee recommends an appropriation of $22,022,000. This amount is $489,000 more than the amount provided in 1989, $478,000 less than the budget estimate, and the same as the House level.

WORKING CAPITAL FUND—CAPITALIZATION

Appropriations, 1989	$4,708,000
Budget estimate, 1990	3,750,000
House allowance	3,750,000
Committee recommendation	

The USDA Working Capital Fund was authorized in 1944 by 7 United States Code 2235 and is used to finance services provided to USDA agencies on a centralized basis. Under the law, only activities approved by the Director of OMB may be carried out under the fund.

The fund received an initial appropriation of $400,000 in 1944. Over the years additional working capital has been made available

through initial transfers as activities were brought into the fund and through congressional authorizations to receive growth capital from serviced USDA agencies. Working Capital Fund operations are financed by charging user agencies the actual costs of providing the centralized services they require. The following services are performed for the agencies and financed through the Working Capital Fund: central supply and other central services; video and teleconferencing and visual design services; National Finance Center activity; and automated data processing [ADP] services.

COMMITTEE RECOMMENDATIONS

For additional capital for the Working Capital Fund, the Committee recommends no appropriation. The House provided the budget request of $3,750,000; $4,708,000 was available in fiscal year 1989.

The Committee concurs with the House in including the General Provision providing that the accumulation of growth capital shall not exceed $2,000,000 and providing that no funds appropriated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

Office of the Assistant Secretary for Governmental and Public Affairs

Appropriations, 1989	$408,000
Budget estimate, 1990	[1] 414,000
House allowance	414,000
Committee recommendation	414,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Governmental and Public Affairs serves as the central organization to insure consistency and coordination of the Department's public information and external affairs activities, to maintain liaison with the Congress and White House on legislative matters, and to maintain liaison with State and local governments.

COMMITTEE RECOMMENDATION

For the Office of the Assistant Secretary for Governmental and Public Affairs, the Committee recommends an appropriation of $414,000. This amount is $6,000 more than the amount available in 1989 and is the same as the budget estimate and the House level.

Office of Governmental and Public Affairs

PUBLIC AFFAIRS

Appropriations, 1989	$7,883,000
Budget estimate, 1990	8,001,000
House allowance	7,964,000
Committee recommendation	7,964,000

The Public Affairs Office provides direction, leadership, and balance in the development and delivery of useful information through all media to the public on USDA's research, educational,

and regulatory activities. It also serves as the focal point for liaison between the Department and the public, including the many associations and companies representing America's food and fiber system, with emphasis on policy education.

COMMITTEE RECOMMENDATIONS

For the Public Affairs Office, the Committee recommends an appropriation of $7,964,000. This amount is $81,000 more than the amount provided in 1989, $37,000 less than the budget estimate, and the same as the House level. The recommended level includes up to $500,000 for the 1989 Yearbook of Agriculture.

CONGRESSIONAL RELATIONS

Appropriations, 1989	$497,000
Budget estimate, 1990	588,000
House allowance	497,000
Committee recommendation	588,000

The Congressional Relations Office maintains liaison with the Congress and the White House on legislative matters of concern to the Department and exercises responsibility for the coordination of all congressional matters except budgetary affairs of the Department.

COMMITTEE RECOMMENDATIONS

For the Congressional Relations Office, the Committee recommends an appropriation of $588,000, which is $91,000 more than the 1989 amount, the same as the budget estimate, and $91,000 more than the House level.

INTERGOVERNMENTAL AFFAIRS

Appropriations, 1989	$479,000
Budget estimate, 1990	479,000
House allowance	479,000
Committee recommendation	479,000

The Intergovernmental Affairs Office directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra and intergovernmental affairs.

COMMITTEE RECOMMENDATIONS

For the Intergovernmental Affairs Office, the Committee recommends an appropriation of $479,000, which is the same as the 1989 amount, the budget request, and the House level.

Office of the Inspector General

Appropriations, 1989	$50,491,000
Budget estimate, 1990	52,530,000
House allowance	51,576,000
Committee recommendation	52,530,000

The Office of the Inspector General [OIG] was established by law October 12, 1978, by the Inspector General Act of 1978. This act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture.

The inspector general:

—Provides policy direction and conducts, supervises, and coordinates all audits and investigations;

—Reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations, and the prevention and detection of fraud and abuse in such programs;

—Recommends policies for and conducts, supervises, or coordinates other activities in the Department whose purposes are to promote economy and efficiency or prevent and detect fraud and abuse;

—Recommends policies for and conducts, supervises, or coordinates relationships between the Department and other Federal, State, and local government agencies concerning: (a) promoting economy and efficiency; (b) preventing and detecting fraud and abuse; and (c) identifying and prosecuting people involved in fraud or abuse; and

—Keeps the Secretary and the Congress fully and currently informed about fraud, other serious problems, abuses, and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problem.

COMMITTEE RECOMMENDATIONS

For the Office of the Inspector General, the Committee recommends an appropriation of $52,530,000. This amount is $2,039,000 more than the amount available in 1989, the same as the budget request, and $954,000 more than the House level.

The Committee expects the inspector general to work in conjunction with the Food and Nutrition Service in conducting audits and investigations of child nutrition programs.

Office of the General Counsel

Appropriations, 1989	$20,836,000
Budget estimate, 1990	22,340,000
House allowance	21,316,000
Committee recommendation	22,340,000

The Office of General Counsel was established in 1910, and the General Counsel, as chief law officer of the Department, is responsible for providing legal services for all programs, operations, and

activities of the Department. The General Counsel is assisted by a Deputy General Counsel and four Associate General Counsels, each of whom is responsible for a portion of the legal work of the Department. The functions of this office are performed in the Washington office and in 22 field offices.

The field offices handle legal work relating to the activities of the Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, Farmers Home Administration, Federal Crop Insurance Corporation, Forest Service, Soil Conservation Service, and the Food and Nutrition Service. By delegation of the General Counsel, legal work relating to other programs and activities of the Department may be handled by a field office.

COMMITTEE RECOMMENDATIONS

For the Office of the General Counsel, the Committee recommends an appropriation of $22,340,000. This amount is $1,504,000 more than the amount provided in 1989, the same as the budget request, and $1,024,000 more than the House level.

Office of the Assistant Secretary for Economics

Appropriations, 1989	$447,000
Budget estimate, 1990	[1] 454,000
House allowance	454,000
Committee recommendation	454,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Economics provides direction and coordination in carrying out the laws enacted by the Congress in the area of economics, statistics, and other social sciences research, analysis, and information related to food, agriculture, and rural resources. The Office has oversight and management responsibilities for the National Agricultural Statistics Service, Economic Research Service, World Agricultural Outlook Board, economic analysis staff, economic management staff, and the Office of Energy.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Economics, the Committee recommends an appropriation of $454,000, which is $7,000 more than the 1989 amount and the same as the budget request and the House level.

Economic Research Service

Appropriations, 1989	$49,336,000
Budget estimate, 1990	51,714,000
House allowance	50,489,000
Committee recommendation	51,714,000

The Economic Research Service [ERS], originally established in 1961 principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621—1627), was reestablished under the authority of the Secretary of Agriculture as a USDA bureau in 1981.

ERS produces economic and other social science information as a service to the general public and to aid Congress and the executive branch in developing, administering, and evaluating agricultural and rural policies and programs. ERS monitors, analyzes, and forecasts United States and world agricultural production and demand for production resources, agricultural commodities, and food and fiber products. ERS also measures the costs of and returns to agricultural production and marketing; evaluates the economic performance of U.S. agricultural production and marketing; and estimates the effects of Government policies and programs on farmers, rural residents and communities, natural resources, and Americans in general. In addition, ERS produces economic and other social science information about the organization and institutions of the United States and world agricultural production and marketing systems, natural resources, and rural communities.

ERS-produced information is made widely available to the general public through research monographs, situation and outlook reports, professional and trade journals (including ERS's journal, Agricultural Economics Research), magazines (including ERS's magazines, Agricultural Outlook, Farmline, National Food Review, and Rural Development Perspectives), radio, television, newspapers, direct computer access, and frequent participation of ERS staff at various public forums.

COMMITTEE RECOMMENDATIONS

For the Economic Research Service, the Committee recommends an appropriation of $51,714,000. This amount is $2,378,000 more than the 1989 amount, the same as the budget request, and $1,225,000 more than the House level.

Included in this appropriation is up to $500,000 for a joint project between ERS, Texas A&M University, and the University of Missouri to develop a set of regional representative farm simulator models. These models will provide valuable and timely economic analysis for the entire country, but with a regional specialization.

National Agricultural Statistics Service

Appropriations, 1989	$63,588,000
Budget estimate, 1990	71,038,000
House allowance	67,901,000
Committee recommendation	67,901,000

The primary responsibilities of the National Agricultural Statistics Service [NASS] (formerly known as the Statistical Reporting Service) are the development and issuance of national and State agricultural statistics, statistical research, and coordination of the Department's statistical programs as authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

NASS programs are conducted in the following major areas:

Crop and livestock estimates.—This area includes estimates of production, supply, price, and other aspects of the agricultural economy; conduct of enumerative and objective measurement surveys; preparation and issuance of the official national and State estimates and reports of the Department relating to acreages, types

and production of farm crops, number of livestock on farms, livestock products, stocks of agricultural commodities, value and utilization of farm products, prices received and paid by farmers, and other subjects as required.

Statistical research and service.—This area includes the research on and development of improved statistical techniques used in gathering and evaluating statistical data, including use of satellite data.

Work performed for others.—Services are performed for other Federal and State agencies and private commodity organizations on a reimbursable or advance payment basis. These services consist primarily of conducting surveys and performing related statistical data collection activities. They also include technical consultation and support and technical assistance programs abroad under participating agency service agreements.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Statistics Service, the Committee recommends an appropriation of $67,901,000. This amount is $4,313,000 more than the amount provided in 1989, $3,137,000 less than the budget estimate, and the same as the House level.

The Committee will expect the Department to maintain compilation for and production of all reports and publications that were issued in 1989.

World Agricultural Outlook Board

Appropriations, 1989	$1,820,000
Budget estimate, 1990	2,045,000
House allowance	1,936,000
Committee recommendation	1,936,000

The World Agricultural Outlook Board [WAOB] serves as the single focal point for the Nation's economic intelligence related to domestic and international food and agriculture with the responsibility for coordinating and reviewing for clearance all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department of Agriculture. The Board's primary objective is to improve the consistency, objectivity, and reliability of outlook and situation material developed in the Department.

The Board's functions include information dissemination; market surveillance; coordination of international and domestic agricultural developments; and coordination of weather, climate and remote sensing research and forecasting techniques.

COMMITTEE RECOMMENDATIONS

For the World Agricultural Outlook Board for fiscal year 1990, the Committee recommends an appropriation of $1,936,000. This amount is $116,000 more than the amount provided in 1989, $109,000 less than the budget estimate, and the same as the House allowance.

OFFICE OF ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION

Appropriations, 1989	$432,000
Budget estimate, 1990	[1] 438,000
House allowance	438,000
Committee recommendation	438,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Science and Education provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, extension, and teaching efforts. The Office has oversight and management responsibilities for the Agricultural Research Service, the Extension Service, the Cooperative State Research Service, and the National Agricultural Library.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Science and Education, the Committee recommends an appropriation of $438,000. This amount is $6,000 more than the fiscal year 1989 amount and the same as the budget request and the House level.

BEST MANAGEMENT PRACTICES

The Committee believes that protection of ground water resources is an important issue facing American agriculture today. Through research, increased farmer education, public information, and the adoption of agronomic best management practices, many of the Nation's water quality problems can be prevented. Accordingly, the Committee recommends that farmers receive from the Department more practical guidance, more education, and more technology on agronomic best management practices. The Committee also notes the interest of the Members of the Senate in an agricultural nitrogen and/or agronomic best management practices task force, which may be appointed by the Secretary, to develop and promote agronomic practices that are least-cost to the farmers and which will not only improve water quality, but also will sustain desired crop levels that serve to keep food prices at a reasonable cost to the consumers.

AGRICULTURAL RESEARCH SERVICE

Appropriations, 1989	$563,381,000
Budget estimate, 1990	581,118,000
House allowance	591,500,000
Committee recommendation	593,447,000

The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research on: soil and water conservation; plant productivity; animal productivity; commodity conversion and delivery; human nutrition; and integration of agricultural systems.

The research applies to a wide range of goals, commodities, natural resources, fields of science, and geographic, climatic, and environmental conditions.

As the U.S. Department of Agriculture's in-house agricultural research unit, ARS has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems; research to support Federal action and regulatory agencies; expertise to meet national emergencies; research support for international programs; and scientific resource to the executive branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will ensure an abundance of high quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to (1) manage and use the Nation's soil, water, air, and climatic resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE RECOMMENDATIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service, the Committee recommends $593,447,000, $30,066,000 above the 1989 level, and $1,947,000 more than the House level.

The amount provided by the Committee includes $2,000,000 for the special fund. These funds are used to strengthen work at Federal research installations in the field by employing junior scientific help under contracts and cooperative agreements.

The Committee amended the House provision limiting the cost for 10 buildings to be constructed or improved by increasing it from $400,000 to $500,000.

Arkansas.—The Committee urges the Secretary to locate two ARS poultry and two ARS food safety scientists at the University of Arkansas at Fayetteville. The University of Arkansas, an 1862 land-grant school, has never had ARS scientists working on the campus. The university is currently engaged in federally supported research in the areas of poultry and food science, and these scientists will further this important work.

Bacterial contamination and pesticide residues.—For research to reduce bacterial contamination and pesticide residues in meat, dairy and grain products, the Committee provides $10,186,000, the same as the House level and $2,350,000 more than the 1989 amount.

Within the amount provided, the Agricultural Research Service is directed to utilize up to $500,000 for a cooperative agreement with the Mississippi Center for Food Safety and Post Harvest Technology for the development of methodology to detect chemical residues and microbial contamination in poultry, meat, and fish prod-

ucts that enter the food system and provide techniques needed for effective regulatory inspection.

Barley.—Included in the recommendation is an increase of $100,000 for the two barley researchers provided in the 1989 appropriations act—a barley cytogeneticist at the National Small Grains Germ Plasm Research Facility in Aberdeen, ID, and a barley biotechnologist at the Bioscience Laboratory in Fargo, ND. The Committee is pleased that ARS has now taken the lead in coordinating the control of the barley yellow dwarf virus and expects further progress in this area.

Bee research.—Within the amount available, the Committee directs ARS to continue work on nonapis pollinators of alfalfa at the 1989 level. ARS should continue to cooperate with regional universities through extramural agreements.

The Committee encourages the Agricultural Research Service to continue its research on control measures for the varroa mite. The recent infestation of the mite in domestic bee colonies demonstrates the need to know more about the mite and possible control measures.

Blueberry/cranberry.—The recommendation for blueberry and cranberry research is $1,923,000, an increase of $120,000 over the 1989 budget, and House levels. The Committee supports the New Jersey/ARS program on blueberry/cranberry research and provides an increase of $70,000 over the 1989 budget request for this project. The recommendation also includes an increase of $50,000 to expand the research on blueberries at the USDA Small Fruits Research Laboratory in Poplarville, MS.

Calicivirus.—The recommendation includes $108,000 for calicivirus research at Oregon State University. This virus is threatening the health and safety of domestic livestock.

Cotton ginning and crop simulation research.—The Committee recommends an increase of $900,000 for cotton ginning research to improve quality and decrease losses with the objective of improving farmer profitability and enhancing competitiveness. The Department is directed to divide these funds equally between the three existing laboratories in Texas, New Mexico, and Mississippi.

Also, the Committee provides an increase of $500,000 over the budget to accelerate research on cotton crop simulation and expert systems. These funds will be used to enhance growers' use of the Computer Crop Simulation Program. Successful research will provide producers in all Cotton Belt States with scientific management technology which will improve quality and decrease costs, resulting in improved competitiveness in world markets.

Dairy forage.—The appropriation includes full funding for the Dairy Forage Research Center at Prairie du Sac, WI. This research is instrumental in developing better ways to utilize alfalfa and other forages.

Fruit fly eradication.—The Committee concurs with the House by including an increase of $475,000 for the fruit fly eradication pilot project in Hawaii. In 1990, Medfly eradication will begin on Kauai and Niihau, and research will commence on methods of eradicating the Malaysian fruit fly. This research should be conducted as a cooperative program with the University of Hawaii.

Human nutrition.—The Committee concurs with providing an increase of $1,500,000 for the Children's Nutrition Research Center at Baylor College of Medicine. In addition, an increase of $575,000 is included for the Grand Forks Human Nutrition Research Center. These funds will be used to maintain and expand research now underway at these facilities. The Committee does not concur with the House increases of $500,000 for the Human Nutrition Research Center on Aging at Tufts University, $250,000 for the Human Nutrition Research Center at the Letterman Army Hospital in San Francisco, and $500,000 for the Human Nutrition Research Center at Beltsville.

Kenaf.—The Committee has included an increase of $500,000 to support expanded research on kenaf. The increase will provide for initial growing trials at the Mississippi State Experiment Station and for product and market development work which is essential in the establishment of this new agricultural product. This level is $200,000 more than the amount provided by the House.

Meadowfoam.—The Committee supports the continuation of research on meadowfoam at a level of $390,000 as proposed by the budget. Great strides have been made toward the commercialization of meadowfoam as a crop to produce industrial lubricants, but accelerated research is needed for meadowfoam to become a viable crop.

Meat Animal Research Center.—The Committee concurs with the House in providing an increase of $250,000 to assist in staffing the animal health unit and an increase of $150,000 to expand and equip the swine research facilities at the Meat Animal Research Center located in Clay Center, NE.

Modernization.—The Committee is aware of the important modernization effort being undertaken by ARS to upgrade its facilities. The Committee expects those modernization efforts to be supported by economic analysis and that consideration will be given to complete internal rebuilding of existing facilities, to demolishing or abandoning existing structures, and to building new facilities, whichever is most feasible.

Morris, MN.—The Committee directs that within the funds available for the ARS facility at Morris, MN, a systems analyst be added to the staff in order to make the research more usable to farmers and livestock producers.

Muscadines.—The Committee supports the budget request of $250,000 for continued muscadine research, with particular emphasis focused on crown gall disease. This project is a cooperative effort conducted at Mississippi State University.

National Animal Disease Center.—The Committee expects ARS to make full utilization of the National Animal Disease Center at Ames, IA. ARS shall submit a report to the Committee on its current assessment of the effectiveness and safety of the necropsy incinerator at this center.

The Committee has provided $175,000 for a grant to be used to establish a research and development cooperative agreement among the animal health research consortia, USDA National Animal Disease Center, the Center for Immunity Enhancement at Iowa State University, and at least 10 private companies involved with animal health research and development for the purpose of

furthering the commercialization of new and advanced animal health products. In addition to the $175,00 grant, State and private sources will provide at least matching support. This program would be modeled after the Biotechnology Research and Development Corp., in Peoria, IL.

National Sedimentation Laboratory.—The Committee concurs with the appropriation provided by the House for the National Sedimentation Lab, which is the same as the amount provided in the budget. Included in this amount is $1,275,000 to maintain the work underway on the Yazoo Basin demonstration project and $1,000,000 for work in association with the Center for Computational Hydroscience and Engineering at the University of Mississippi.

New nonfood uses.—The Department is directed to initiate, and make substantial progress toward, the reallocation of no less than $50,000,000 of the ARS budget to research on new nonfood uses for traditional food commodities such as wheat, corn, and soybeans, as newly appropriated and previously committed funds become available. The Committee further directs ARS to report to Congress on its progress in achieving this objective no later than April 30, 1990. This reallocation should help ensure a better balance between production and utilization research as well as higher prices for farmers, expanded international trade opportunities, and smaller Federal outlays for farm programs.

Northern Great Plains Research Laboratory.—An increase of $300,000, for a total of $2,581,000, is included for the Northern Great Plains Research Laboratory at Mandan, ND. This laboratory plays a pivotal role in developing new technologies for conservation tillage—cropping systems, improved tree species germ plasm for windbreak plantings, enhancing grass and legume germ plasm for conservation plantings, and improved technology for conserving and utilizing water and nitrogen in dryland and irrigated cropping systems to protect ground water supplies.

Oat research.—An additional $400,000 is recommended for oat research. Of this amount, $200,000 is to enhance oat research activities at the National Small Grains Germ Plasm Facility in Aberdeen, ID. Also, $200,000 is to provide an additional scientist at the Department of Cereal Science and Food Technology at North Dakota State University for the advanced study of fiber improvement in oats.

Oregon.—ARS is directed to continue its commitment to three Oregon research facilities in Burns, Corvallis, and Pendleton.

Pea and lentil research.—The Committee recommends continued funding for pea and lentil research at the 1989 level in the Pacific Northwest, which includes a program to control lygus bugs on peas and lentils through the cooperative efforts of the University of Idaho, Washington State University, and the USDA-ARS Insect Laboratory in Yakima, WA.

In addition, continuation of the $150,000 provided in 1989 is recommended for ongoing research on the genetic mapping of lentils at Washington State University. The funds will allow the university to maintain a full-time geneticist who will continue the critical genetic mapping on lentils already in progress.

Peach research.—The Committee has included an increase of $300,000 for research at the Appalachian Fruit Research Laborato-

ry. This increase will be used for research related to the genetic manipulation of fruit for pest resistance and quality improvement.

Pear thrip.—The recommendation includes $50,000 to research various nonchemical means of controlling pear thrip, including fungi and other biological means. This pest is particularly devastating to maples in New England, and the research should be carried out in that region.

Pesticide application research.—The Committee concurs with the budget request and the House in providing $912,000 to continue the multidiscipline research at the Delta States Regional Research Center on application systems for agricultural chemicals that are cost effective and would eliminate adverse effects on the environment. Research should focus on ground and aerial application of insecticides, herbicides, fungicides, and plant growth regulators.

Poisonous plants.—The Committee recommends an increase of $245,000 for the Northern Plains Area, Poisonous Plant Research Laboratory in Logan, UT, to conduct additional research on larkspur poisoning, broom snakeweed and *Astragalus* poisoning of wildlife and range animals.

Potato.—The Department is directed to maintain the Tri-State Potato Breeding Program at the 1989 level of $386,000.

Russian wheat aphid.—The recommendation includes an additional $975,000 for research on the Russian wheat aphid as part of an integrated pest management program in coordination with APHIS, CSRS, and ES which has been developed by the National Russian Wheat Aphid Technical Advisory Group.

Scrapie.—An increase of $500,000 above the House, budget, and 1989 levels is included for scrapie research. Scrapie is a fatal infectious degenerative disorder of the central nervous system of sheep and goats. This research will develop diagnostic procedures for detecting animals infected with scrapie before the animals exhibit symptons, methods for the treatment, prevention, and cure of scrapie and methods for controlling the spread of the disease.

Small farms.—As in the past, the Committee recommends full funding for the Small Farms Research Center at Booneville, AR. Despite these recommendations, the center is not adequately funded. Therefore, the Committee provides an additional $400,000 for this facility.

Soil and water conservation.—The Committee recommends an increase $300,000 for the Appalachian Soil and Water Conservation Laboratory at Beckley, WV. These funds will allow for research on land resource conservation and improved forage-livestock systems.

Soil tilth.—The recommendation includes an increase of $2,025,000 over the 1989 level, $175,000 less than the House amount, for the National Soil Tilth Center at Ames, IA, for a total of $4,383,000.

Southeastern Fruit and Tree Nut Research Laboratory.—The Committee recommends an increase of $125,000 for the Southeastern Fruit and Tree Nut Research Laboratory in Byron, GA. This increase will be used specifically to expand a new rootstock development program for peaches and to increase the research effort to develop new varieties and alternate controls for disease, insect and nematode pests.

Soybean oil-based ink.—For research on soybean oil-based ink, the Committee provides $258,000, an increase of $100,000 above the budget request, and $42,000 less than the House amount. The $100,000 increase is for development of a heat-set soybean ink at the National Printing Ink Research Institute at Lehigh University in Bethlehem, PA. The research shall focus on developing an ink that has similar features to petroleum-based inks as an alternative use for soybeans.

Space remote sensing.—The Committee recommends $400,000, an increase of $100,000, to continue and expand the program jointly conducted by ARS and the Space Remote Sensing Center [SRSC]. Additional work will involve the development of satellite-based field level products for vegetable, corn, soybean, and rice farmers.

Sugarbeets.—The Committee recommends an increase of $350,000 for sugarbeet research at the Northern Crop Science Laboratory. This research will develop biological controls of sugarbeet pests.

Sugarcane.—The Committee concurs with the House in providing an increase of $218,000 above the budget request for research on sugarcane in Hawaii. Much of the sugarcane research performed in the United States is not directly applicable to the Hawaiian sugarcane industry due to its longer crop year, volcanic soils, unique methods of harvesting, and tropical climate. In addition to research in these areas, amounts may be used for the development of new products from sugarcane. The Committee expects this research to be carried out through a contract with the Hawaiian Sugar Planters' Association.

Sweetpotato research.—The sweetpotato whitefly (Bemisia tabaci) continues to be an economic pest to vegetable and ornamental horticultural crops. The Committee commends ARS and the Institute of Food and Agricultural Sciences at the University of Florida for their work in identifying a biological control for this pest. The Committee recommends that ARS devote additional resources to the whitefly problem in Florida and includes $490,000, an increase of $100,000 and the same as the House level, for this work.

Systematic entomology laboratory.—The Committee concurs with the House increase of $500,000 to upgrade the research program at the Systematic Entomology Laboratory at Beltsville.

U.S. Sheep Experiment Station.—The Committee recognizes the critical need for new equipment and upgrading of facilities at the U.S. Sheep Experiment Station at Dubois, ID. The Committee recommends an additional $450,000 over the budget request for this purpose.

Urban pest control.—The Committee concurs with the House in providing a total of $454,000, an increase of $100,000 over the budget, for urban pest control research. Thers is a growing number and distribution of cases of Lyme disease and potential for other human health threats from urban pests. Termites and other wood-destroying pests cost American homeowners over three-quarters of a billion dollars per year. The Committee feels that the budget for the USDA termite research laboratory in Gulfport, MS, and competitive research grants designated specifically for urban pest control research should be expanded.

Vegetable oils as fuel.—The Committee directs that research being conducted at Moscow, ID, on the use of vegetable oils as a replacement for diesel fuel be continued at the current level.

Water quality.—The Committee recommends an increase of $6,000,000 above the 1989 level for water quality research.

Included in this recommendation is $1,655,000 for the third year of the aquaculture linked to plant culture project at the Spring and Groundwater Resources Institute in West Virginia. The Committee expects continued interaction between the Spring and Groundwater Resources Institute and the Appalachian Fruit Research Laboratory. This interaction should be in the form of scientist-to-scientist interaction, sharing of facilities and equipment, and other support as required.

Wheat quality laboratories.—The Committee includes an increase of $1,000,000, to be divided equally, for the four regional wheat quality labs: the Soft Wheat Quality Lab in Wooster, OH; the Hard Winter Quality Lab in Manhattan, KS; the Western Wheat Quality Lab in Pullman, WA; and the Hard Red Spring and Durum Wheat Quality Lab in Fargo, ND.

Miscellaneous.—The Committee concurs with the following House levels: $75,000 for sulfur dioxide on grapes; an increase of $750,000 for aflatoxin research; $9,380,000 for potato research; $7,250,000 for repair and renovation at the Beltsville Agricultural Research Center; $300,000 for the Powder Mill Road; $5,072,000, an increase of $900,000 above the 1989 level, for animal germ plasm preservation and evaluation; $4,641,000, an increase of $700,000 over the 1989 amount, for bacterial contamination in livestock; $8,958,000, an increase of $1,500,000 over the 1989 level, for diagnostic methods for diseases of livestock and poultry; and an increase of $463,000 for the acquisition of fixed and moveable equipment for the Center for Applied Aquaculture Research and Training at the Oceanic Institute.

The Committee does not concur with the following House increases over the budget request: $150,000 for aquaculture research and development at the South Central Research Center; $25,000 for ethanol production; $60,000 for food toxicology; $200,000 for low input agriculture; and $100,000 for mycoplasma.

BUILDINGS AND FACILITIES

Appropriations, 1989	[1] $28,350,000
Budget estimate, 1990	18,500,000
House allowance	5,390,000
Committee recommendation	11,735,000

[1] Does not include $10,631,316 reappropriation from Plum Island judgment.

The "Buildings and facilities" account is established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or used by, the Agricultural Research Service. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $11,735,000 for this account. This amount is $6,765,000 less than the budget estimate, $6,345,000 more than the House level and $16,615,000 less than the amount provided in 1989. These funds shall remain available until expended.

The following table shows the Committee's provisions:

BUILDINGS AND FACILITIES

		Fiscal year 1989 appropriation	Fiscal year 1990 request	House allowance	Committee recommendation
1	South Central Agriculture Research Center, Lane, OK: (preliminary planning)	$140,000		$150,000	
2	Poultry Disease Laboratory, Athens, GA		$2,500,000		
3	U.S. Fruit and Vegetable Lab at Yakima, WA (construction)	900,000		1,000,000	$1,000,000
4	U.S. Salinity Lab at Riverside, CA (construction)	900,000		2,250,000	
5	National Seed Storage Lab (CO) (construction)	2,750,000	8,750,000	1,000,000	8,750,000
6	Northwest Small Fruit Center, Washington, Oregon, Idaho (report)			50,000	50,000
7	U.S. Vegetable Laboratory at Charleston, SC:				
	(Report)	[1] (50,000)			
	(Planning)			600,000	
	(Planning and construction)				1,935,000
8	ARS Bee Lab at Weslaco, TX (planning)			340,000	
9	Beltsville (construction)		7,250,000	[2]	[2]
10	Completed Items	700,000			
	Total	5,390,000	18,500,000	5,390,000	11,735,000

[1] Appropriated in fiscal year 1988.
[2] Funded under the Agricultural Research Service, salaries and expenses.

Cooperative State Research Service

Appropriations, 1989	$315,107,000
Budget estimate, 1990	295,398,000
House allowance	319,625,000
Committee recommendation	341,630,000

The Cooperative State Research Service is the U.S. Department of Agriculture's principal entree to the university system of the United States for the purpose of conducting agricultural research as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a—361i); the Cooperative Forestry Research Act of 1962, as amended (16 U.S.C. 582a—7); Public Law 89—106, section (2), as amended (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.). Through these authorities, the U.S. Department of Agriculture participates with State and other sources of funding to encourage and assist the State institutions in the conduct of agricultural research through the State agricultural experiment stations of the 50 States, the District of Columbia, and the territories; by approved schools of forestry; by the 1890 land-grant institutions and Tuskegee University; by colleges of veterinary medicine; and by other eligible institutions.

The Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordi-

nation among the State institutions, U.S. Department of Agriculture, and the agricultural industry of America.

COMMITTEE RECOMMENDATIONS

The following table summarizes Committee recommendations for the Cooperative State Research Service.

COOPERATIVE STATE RESEARCH SERVICE

[In thousands of dollars]

	Fiscal year 1989 appropriation	Fiscal year 1990 budget	House allowance	Committee recommendation
Payments under Hatch Act	155,545	155,545	158,545	155,545
Cooperative forestry research	17,500	12,975	12,975	17,500
Payments to 1890 colleges and Tuskegee University	24,333	25,333	25,333	25,333
Special research grants:				
Acid precipitation	661	661	661	661
Aflatoxin (Illinois)			175	
Agricultural diversification and speciality crops (Hawaii)	156		156	156
Agriculture trade (North Dakota)	600			600
Agricultural Policy Institute (Iowa and Missouri)	463		695	750
Agricultural utilization research (Minnesota)	200		300	500
Alternative cropping systems in the Southeast (South Carolina)	285		285	285
Alternative crops (North Dakota)				500
Alternative to dinoseb (Oregon)	150		150	300
Alternative pest control (Arkansas)	1,400			1,400
Animal health research	5,705		5,705	5,705
Apple quality research (Michigan)	95		95	
Aquaculture research (general)	520		520	620
Aquaculture, (Stoneville, MS)	588		588	588
Asparagus yield decline (Michigan)	95		95	
Bean and beet research (Michigan)	190		190	
Belgian endive (Massachusetts)	60		60	
Blueberry shoestring virus (Michigan)	92		92	
Broom snakeweed (New Mexico)	100		100	200
Celery fusarium (Michigan)	40		40	
Chesapeake Bay aquaculture			375	375
Cranberry/blueberry disease and breeding (New Jersey)	260		260	260
Dairy and beef photoperiod (Michigan)	33		33	
Dairy goat research (Texas)			75	75
Dark-end syndrome (Idaho, Oregon, and Washington)	150		150	50
Delta rural revitalization (Mississippi)	175		175	175
Dried bean research (North Dakota)	75			100
EDB replacement (Hawaii)	285			
Expanded wheat pasture (Oklahoma)	400		150	150
Export Services Center (Oregon)				500
Floriculture research (Hawaii)	300		300	300
Food Marketing Policy Center (Connecticut)	285		420	335
Food processing (Mississippi)	173		173	
Food Safety Consortium	1,400			2,000
Food systems research group (Wisconsin)	148		222	222
Grasshopper control (North Dakota)	69		69	75
Human nutrition research (New York)	450		675	
Integrated orchard management (Vermont)				100
Integrated pest management	2,940	2,940	2,940	2,940
Integrated production systems (Oklahoma)	188		188	
Integrated reproduction management (Nebraska)	75			
International livestock (Kansas)	95			95
Iowa Biotechnology Consortium	1,225			2,000
Livestock and dairy policy (New York and Texas)	450		600	
Lowbush blueberry (Maine)			110	233

COOPERATIVE STATE RESEARCH SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1989 appropriation	Fiscal year 1990 budget	House allowance	Committee recommendation
Low-input agriculture (Minnesota)	100	.....	150	150
Maple research (Vermont)	100	.....	.....	100
Michigan Biotechnology Institute	1,750	.....	2,625	.....
Midwest Plant Biotechnology Consortium	1,750	.....	2,625	2,625
Milk consumption (Pennsylvania)	285	.....	.....	285
Milkweed research (Nebraska)	68	.....	80	80
Minor crop pest control (Hawaii)	.....	.....	285	285
Minor use animal drugs (IR–4)	229	229	229	229
Mosquito research, riceland agroecosystem (Texas)	456	.....	456	.....
Multicropping strategies for aquaculture (Hawaii)	152	.....	152	152
National Biological Impact Assessment Program	125	125	125	125
New uses for agricultural products (Ohio)	133	.....	133	.....
Nonfood agricultural products (Nebraska)	.....	.....	.....	220
Oil from jojoba (New Mexico)	.....	.....	150	150
Operation Small Farm (Louisiana)	.....	.....	.....	200
Oregon-Mass. biotechnology	.....	.....	250	250
Peach tree short life (South Carolina)	192	.....	192	192
Pesticide clearance (IR–4)	1,369	2,000	2,000	2,000
Pesticide impact assessment	2,218	2,468	2,468	2,468
Plastic from cornstarch (Nebraska)	40	.....	40	40
Potato research	1,177	.....	1,377	1,277
Preservation and processing research (Oklahoma)	267	.....	267	.....
Prime farm land reclamation (Illinois and Kentucky)	450	.....	650	.....
Regional barley gene mapping	.....	.....	100	210
Regionalized implications of farm programs (Missouri)	.....	.....	200	.....
Rural development centers (North Dakota, Iowa, Mississippi, Oregon, and Pennsylvania)	500	.....	500	500
Rural economic development (Georgia)	.....	.....	.....	1,496
Russian wheat aphid (Washington, Oregon, California, and Idaho)	100	.....	400	300
Safflower (North Dakota, Montana)	.....	.....	100	400
Sandhills grazing management practices (Nebraska)	100	.....	100	100
Satellite assessment of drought (Oklahoma)	300	.....	.....	.....
Seafood harvesting, processing, marketing (Mississippi)	.....	.....	.....	400
Seedstocks enhancement (North Dakota)	200	.....	.....	200
Soil erosion in Pacific Northwest	591	.....	591	591
Southwest consortium for plant genetics and water resources	385	.....	385	385
Soybean cyst nematode (Missouri)	285	.....	285	.....
Stone fruit decline (Michigan)	285	.....	285	.....
Stored grain insects (Kansas)	285	.....	.....	285
Subirrigation (Michigan)	.....	.....	125	.....
Sunflower insects (North Dakota and South Dakota)	190	.....	.....	190
TCK Smut (wheat)	193	.....	193	250
Tropical and subtropical research	3,341	.....	3,341	3,341
Water management (Alabama)	300	.....	.....	500
Water quality	.....	6,700	6,700	.....
Wheat genetic research (Kansas)	100	.....	100	100
Wood utilization (Oregon, Mississippi, and Michigan)	2,852	.....	2,852	2,852
Wool research (Texas)	142	.....	142	150
World food systems (Indiana and Ohio)	300	.....	360	360
Youth science camp (West Virginia)	.....	.....	.....	150
Subtotal, special research grants	41,886	15,123	47,835	45,838
Competitive research grants:				
Plant science	8,000	12,126	4,000	8,000
Soybean research	(493)	.....	(493)	(493)
Alcohol fuels	(514)	.....	(514)	(514)
Plant science centers	.....	3,400	1,700	.....

COOPERATIVE STATE RESEARCH SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1989 appropriation	Fiscal year 1990 budget	House allowance	Committee recommendation
Human nutrition	1,000	3,000	1,000	2,000
Animal science	6,000	14,000	4,000	6,000
Brucellosis	(475)	.....	(475)	(475)
Pest science	2,000	2,000	2,000	2,000
Biotechnology (animal and plant)	19,016	21,616	19,016	19,016
Stratospheric ozone	3,700	7,400	3,700	3,700
Forestry	.....	5,000	5,000	5,000
Subtotal, competitive research grants	39,716	68,542	40,416	45,716
Animal health and disease research (sec. 1433)	5,476	.....	5,476	5,476
Higher education [1]	4,754	5,000	5,754	6,254
Critical Agricultural Materials Act of 1984	3,668	668	1,168	5,368
Rangeland research grants	475	.....	475	475
Aquaculture centers (sec. 1475)	3,750	.....	3,750	3,750
International trade centers	3,152	.....	2,000	3,152
Agricultural productivity (subtitle C)	4,450	.....	4,450	4,450
Supplemental and alternative crops (sec. 1473D)	1,025	.....	200	425
Ground water quality research	3,000	.....	.....	.....
Federal administration:				
Gulf coast shrimp aquaculture	2,736	.....	3,236	3,236
Mississippi Valley State University	625	.....	625	625
Ag in classroom	87	87	87	187
Office of Grants and Program Systems	529	600	575	575
Office of Agricultural Biotechnology	250	225	225	225
Pay costs and FERS	250	.....	.....	.....
National Center for Food and Industrial Agricultural Product Development (Iowa)	950	.....	.....	.....
Center for Agricultural and Rural Development (Iowa)	750	.....	750	750
1890 capacity building grants	.....	11,000	5,500	5,500
Peer panels	200	300	250	250
Water quality	.....	[2]	[2]	10,000
Geographic information system	.....	.....	.....	1,000
Subtotal, Federal administration	6,377	12,212	11,248	22,348
Total, Cooperative State Research Service	315,107	295,398	319,625	341,630

[1] Excludes $2,850,000 Morrill-Nelson appropriation in fiscal year 1989.
[2] Funded under special research grants.

Individual items are discussed below:

Special research grants under Public Law 89-6106.—The Committee recommends a total of $45,838,000. Specifics of individual grant allowances are included in the accompanying table. Special items are discussed below.

Alternative crops.—$500,000 is provided to continue work on alternative crops at North Dakota State University. This amount is the same as the 1989 level; however, it was funded under the "Alternative crops" account.

Aquaculture (General).—The Committee has provided an increase over 1989 of $100,000 to continue the research at Louisiana State University on the development of commercial crawfish and redfish production.

Integrated orchard management.—$100,000 is provided for a pilot project between the University of Vermont and the Vermont Department of Agriculture. This project will reduce the use of chemi-

cals on apples by providing on-farm technical assistance to maximize producers participation; developing and testing the application of new diagnostic technologies; monitoring and evaluating the impact of changes in orchard management practices on both production and sales; and compiling and disseminating its findings to apple-producing States, trade organizations, and the consuming public.

Nonfood agricultural products.—The Committee provides $220,000 for this new grant. It will be used at Nebraska's Non-Food Agricultural Product and Market Development Center for market analysis activities and center operations.

Potatoes.—The Committee has increased the special research grant for potatoes by $100,000 for the Tri-State Potato Breeding Program in Oregon, Washington, and Idaho.

Operation Small Farm.—The recommendation includes $200,000 for a new grant for Operation Small Farm at Southern University in Baton Rouge, LA. This project will establish a variety of small farm model demonstration plots and research units focused on production options, management practices, and effective marketing techniques especially suited to the financial improvement of small-scale agriculture.

Export Services Center.—The Committee provides $500,000 for the establishment of an Export Services Center at the Wheat Marketing Center in Portland, OR. The center will have the capability of assessing the technical acceptability of high-value processed food and related agricultural products for export to foreign countries to expedite product importation into those countries. The center will provide current and potential exporters with a single source of information on trade barriers, and will also perform label and ingredient review for the products.

Rural economic development.—The Committee provides a new grant of $1,496,000 for the University of Georgia Office of Rural Economic Development at the Institute of Business to identify resources for job creation and self-sustaining businesses.

Seafood harvesting, processing, marketing.—The Committee includes $400,000 for research on harvesting, processing, and marketing of the latent marine fishery resources of the gulf coast zone. These funds will allow the Mississippi Agricultural Experiment Station to collaborate with the National Marine Fisheries and the Fisheries Technology Field Station.

TCK smut.—The Committee recommends an increase of $57,000 above the 1989 and House levels for TCK smut for a total level of $250,000. Of this amount, at least $70,000, an increase of $22,000, is for Oregon State University to expand its molecular, biotechnological approach to TCK control, and to reinstate its natural infection site in northeastern Oregon.

Youth science camp.—The Committee recommends $150,000 for the National Youth Science Camp Foundation to conduct a 2-year series of studies to determine the feasibility of expanding the youth science program of the foundation. The foundation proposes to build upon its successful program model to encourage responsible scientific leadership among a broader spectrum of participants within our national and international community. The Committee will expect the foundation to incorporate fully the agricultural sci-

ences within its program and to seek the advice of the Department on the integration of agriculture into the youth science program.

Competitive research grants.—The Committee recommends an appropriation of $45,716,000. This amount is $22,826,000 less than the budget estimate, $6,000,000 more than was available in 1989, and $5,300,000 more than the House level. The Committee continues its commitment to the competitive grants method of fostering and promoting increased levels of basic agricultural research in our Nation. Specific allowances for the various competitive grant categories, along with the 1989 budget request, and House levels are shown in the accompanying table.

Critical Agricultural Materials Act.—The Committee recommends $5,368,000 for activities authorized by the Critical Agricultural Materials Act. Included in this recommendation is $668,000 to continue research on guayule; $2,700,000 to complete, equip, and implement the research program at the polymer science research facility; and $2,000,000 to complete, equip, and implement the research program at the National Center for Physical Acoustics. This appropriation is $4,200,000 more than the House allowance, $1,700,000 more than the 1989 level, and $4,700,000 more than the budget request.

International trade centers.—The Committee concurs with the House in limiting funding for international trade centers to those that have received funding in the past and without allowing for increases.

The following amounts are recommended: $1,000,000 for the Center for International Trade in Forest Products [CINTRAFOR] and the International Marketing Program for Agricultural Commodities and Trade [IMPACT]; $1,000,000 for the International Trade Development Center at Iowa State University; $227,000 for the International Trade Development Center at the University of Kentucky; $575,000 for the Center for International Trade Development in Appalachian Hardwood Forest Products at West Virginia University; $300,000 for the International Trade and Development Center at the Wheat Marketing Center in Oregon; and $50,000 for the International Trade and Development Center at the University of Idaho.

The total for trade centers is $3,152,000, the same as the 1989 appropriation and $1,152,000 more than the House level.

Alternative crops.—The Committee recommends $425,000 for alternative crops research, $600,000 less than the 1989 level and $225,000 more than the House amount. From this account, $500,000 has been funded as a special research grant to continue oilseeds research in North Dakota. The $425,000 is for research on crambe and winter rapeseed in Iowa, Missouri, Kansas, New Mexico, and Idaho.

Aquaculture centers.—The Committee concurs with the House in providing $3,750,000 for the existing regional aquaculture centers. The Committee expects the regional centers to continue to support those projects which are regional in their application and further expects that funds will be provided to an individual State applicant when the proposed project has regional applicability. The Committee does recognize the progress which is being made in advancing

the aquaculture industry in the United States as a result of the work being carried out through these centers.

Higher education.—The Committee recommends $9,104,000 for higher education. This amount is $1,500,000 more than the 1989 level, $4,350,000 more than the budget request, and $500,000 more than the House amount. The Committee concurs with House in providing $2,852,000 for graduate fellowships, $1,902,000 for strengthening grants at the 1890 colleges and Tuskegee University, and $1,000,000 for challenge grants. The $500,000 increase over the House is for a program infusing aquaculture education into the vocational agriculture curriculum. This program has been developed by the National Council for Vocational and Technical Education in Agriculture.

Once again, the Committee rejects the administration proposal to repeal the Morrill-Nelson Act permanent appropriation that continues to provide higher education support to every State.

Federal administration.—The Committee provides $22,348,000 for Federal administration, $11,100,000 more than the House level, $15,971,000 more than the 1989 level, and $13,136,000 more than the budget request. As displayed on the table, the Committee concurs with the House in all matters except three. First, water quality research is funded under Federal administration instead of as a special research grant as proposed by the House and in the budget request. Second, the Committee recommends $187,000 for the Ag in the Classroom Program, instead of $87,000 as proposed by the House. Third, the recommendation includes $1,000,000 for a grant to the American Farmland Trust for a geographic information system pilot program to be established in Valdosta, GA; Fayetteville, AR; and a study site for the Chesapeake Bay region. No funds were provided by the House or in the budget request.

Water quality.—The Committee recommends $10,000,000 for water quality research, an increase of $2,700,000 over the budget request and the House level, and $7,000,000 more than was provided in 1989.

Of this amount, at least $5,000,000 is to be used by the National Consortium to Study the Impact of Agricultural Chemicals on Groundwater. This consortium, coordinated by the University of North Dakota, and including the University of Mississippi, Southern Illinois University at Carbondale, the University of Nebraska-Lincoln as regional leaders will provide a scientifically valid basis upon which meaningful agricultural chemical management and regulatory decisions can be made. This basis will consist of understanding the occurrence, transport, and fate of agricultural chemicals in representative hydrogeologic settings, and in turn will allow evaluation of health impacts that may be associated with the presence of agricultural chemicals in ground water.

Also included is $250,000, an increase of $83,000 over 1989, for Iowa State University to continue its research on agricultural drainage.

With the remaining funds, the Secretary is urged to carry out the water quality research and information dissemination projects through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, and Federal or State government entities that have dem-

onstrated appropriate expertise in agricultural research and technology transfer.

BUILDINGS AND FACILITIES

Appropriations, 1989	
Budget estimate, 1990	
House allowance	$22,960,000
Committee recommendation	49,414,000

The "Buildings and facilities" account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE RECOMMENDATIONS

For buildings and facilities, the Committee recommends $49,414,000. This amount is $26,454,000 more than the House level. No funds were provided to this account in 1989, and there was no budget request. The following table summarizes the Committee's provisions:

BUILDINGS AND FACILITIES

	Fiscal year 1989 appropriation	House allowance	Committee recommendation
1. Montana State University Bioscience Center:			
(Report)	$50,000		
(Planning)		$500,000	
2. Center for Tropical and Subtropical (HI):			
(Report)	50,000		
(Planning)		1,135,000	$1,135,000
3. Virginia and Maryland Regional College of Veterinary Medicine:			
(Report)	50,000		
(Construction)		480,000	
4. University of Nebraska Center for Advanced Technology:			
(Planning)	250,000		
(Planning and construction)		2,000,000	4,000,000
5. University of Wisconsin, Agriculture Biotechnology and Genetics Building:			
(Report)	50,000		
(Planning)		600,000	600,000
6. Plant Science Center at Kansas State University: (Construction)	1,350,000	500,000	4,500,000
7. Iowa State University Nutrition Research Center:			
(Preliminary planning)	290,000		
(Planning and construction)		1,250,000	2,755,000
8. Texas A&M (Houston) Institute of Bioscience and Technology: (Construction)	1,250,000	500,000	5,600,000
9. Center for Molecular Biology, Rutgers University: (Preliminary planning)	250,000	90,000	
10. Agriculture Biotech Facility at Virginia Tech: (Preliminary planning)	100,000	225,000	
11. National Soybean Lab at University of Illinois:			
(Report and planning)	250,000		
(Planning and construction)		1,250,000	1,395,000
12. Food Toxicology Center at Michigan State:			
(Preliminary planning)	1,250,000		
(Planning and construction)		2,250,000	
13. University of Georgia, Biocontainment Facility: (Construction)	467,000	500,000	1,496,000
14. Washington State University Food and Human Nutrition Center: (Construction)	3,405,000	2,135,000	2,000,000

BUILDINGS AND FACILITIES—Continued

	Fiscal year 1989 appropriation	House allowance	Committee recommendation
15. Gonzaga University Center for Information and Technology Transfer (Washington): (Under construction)	1,875,000	625,000	323,000
16. National Center for Food and Industrial Agriculture Products: (IA):			
(Construction)	1,700,000	1,700,000	2,962,000
(Renovation)		1,300,000	1,300,000
17. University of Florida Biotech Institute:			
(Planning and construction)	600,000		
(Construction)		500,000	2,700,000
18. South Dakota State University, Northern Plains Biostress Lab:			
(Report and planning)	100,000		
(Planning)		300,000	
(Construction)			3,100,000
19. University of North Dakota, Earth Systems Science: (Planning and construction)	4,200,000	500,000	4,200,000
20. North Dakota State University Industrial Agriculture and Communications Center:			
(Report and planning)	535,000		
(Planning and construction)		500,000	2,408,000
21. Center for Nutrition at Wake Forest, NC: (Planning)		2,890,000	
22. Plant Stress Lab at Texas Tech: (Construction)		500,000	50,000
23. Biotechnology Lab at Utah State University: (Report)		50,000	50,000
24. College of Veterinary Medicine, Animal Disease Biotechnology Facility at Washington State University: (Report)		50,000	
25. Rice Germplasm Center at Stuttgart, AR:			
(Report)		50,000	
(Planning)			100,000
26. Biotechnology Facility, North Carolina: (Report)		50,000	50,000
27. Building Consolidation, University of Rhode Island: (Report)		50,000	
28. Grape Importation Facility, University of California at Davis: (Planning)		130,000	
29. National Center for Equine and Bovine Biotechnology Research: (Planning)	([1] 50,000)	300,000	
30. University of Maine: (New building to consolidate six separate buildings) (Report)		50,000	50,000
31. Center for Alternative Pest Control Research, Arkansas (Construction)			550,000
32. Hettinger Research Teaching Laboratory, North Dakota (Construction)			150,000
33. Kimberly Research Station, Idaho (Land purchase)			360,000
34. Masardis Research Farm, Maine (Construction)			230,000
35. National Laboratory for Environmentally Sound Production Agriculture, Georgia (Report)			50,000
36. Natural Products Laboratory, Mississippi (Planning and construction)	400,000		4,050,000
37. Plant Science Greenhouse Complex, North Dakota (Report)			50,000
38. Poultry Center of Excellence, Arkansas (Planning)			100,000
39. Poultry lab and isolation facility, Arkansas (Construction)	200,000		250,000
40. Poultry Research Center, West Virginia (Construction)	1,888,000		1,500,000
41. Tree Physiology and Maple Research Lab, Vermont (Construction)	50,000		750,000
42. Nursery Crop Research Station, Tennessee (Planning and construction)			500,000
43. Idaho biotechnology facility (Report)			50,000
44. Washington State University Pesticide Research Laboratory (Report)			50,000
45. Completed items	2,350,000		
Total	22,960,000	22,960,000	49,414,000

[1] Appropriated in fiscal year 1988.

Natural Products Research Laboratory.—The Committee recommends an appropriation of $250,000 to the University of Mississippi to establish a consortium to develop environmentally safe commercial products from plant materials. The Committee will expect the ARS to cooperate with the university in the development of this consortium which will be comprised of Federal, State, and private sector cooperators. The Committee will expect to receive a report

from the university prior to the hearings on the fiscal year 1991 appropriations.

In addition, to complete the planning and design and to begin construction of the Natural Products Laboratory, the Committee provides $3,800,000.

Extension Service

Appropriations, 1989	$361,370,000
Budget estimate, 1990	324,840,000
House allowance	368,950,000
Committee recommendation	366,671,000

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914, as amended. Legislation authorizes the Department of Agriculture to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture, uses of solar energy with respect to agriculture, home economics, related subjects, and to encourage the application of such information by demonstrations, publications, through 4–H clubs, and other means to persons not attending or resident in the colleges.

To fulfill the requirements of the Smith-Lever Act, State and county extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

COMMITTEE RECOMMENDATIONS

The following table summarizes Committee action on the Extension Service:

EXTENSION SERVICE

[In thousands of dollars]

	Fiscal year 1989 appropriation	Fiscal year 1990 budget	House allowance	Committee recommendation
Smith-Lever 3(b) and 3(c)	241,594	241,594	246,594	241,594
Smith-Lever sections 3d:				
Priority initiatives		5,000		
Water quality	1,500	6,500	4,000	6,500
Food and nutrition education	58,635	21,600	58,635	58,635
Pest management	7,164	7,164	7,164	7,164
Farm safety	970		970	
Pesticide impact assessment	1,633	2,580	2,580	2,580
Urban gardening	3,500		3,500	
Financial management	1,427		1,427	1,427
Integrated reproductive management	47			
Rural development centers	950	950	950	950
Renewable Resources Extension Act	2,765			2,765
D.C. extension	953	953	953	953
Rural recovery pilot projects	3,350		3,350	3,350
1890 colleges and Tuskegee University	18,291	24,000	22,000	22,000
1890's facilities	9,508	9,508	9,508	9,508

EXTENSION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1989 appropriation	Fiscal year 1990 budget	House allowance	Committee recommendation
Subtotal	352,287	319,849	361,631	357,426
Federal administration and special grants:				
General administration	4,866	4,991	4,982	4,982
Pilot tech. transfer (Oklahoma and Mississippi)	333		333	333
Rural development (Nebraska)	190		190	190
Rural development (Oklahoma)	433		433	
ATTRA (Arkansas)	900			1,100
Crambe/rapeseed (Nebraska)	65		65	65
Ag. development (Hawaii)	650		650	650
Pay costs	116			
New England vertebrate (Maine)	80		95	
Interpretive center (Wisconsin)	50			
Project future	75		138	
Rural rehabilitation (Georgia)	129		258	258
Agricultural film (New York)	175		175	175
Pilot tech. transfer (Florida)	167			
Rural education pilot (North Dakota)	854			852
Presgue Isle (Maine)				140
Crop simulation (Mississippi)				500
Total, Federal administration	9,083	4,991	7,319	9,245
Total, Extension Service	361,370	324,840	368,950	366,671

COMMITTEE RECOMMENDATIONS

Smith-Lever sections 3(b) and (c).—The Committee provides $241,594,000 for payments under the Smith-Lever Act. This is the same amount available in fiscal year 1989 and requested in the 1990 budget; it is $5,000,000 less than the House recommendation.

Smith-Lever section 3d.—Due to fiscal constraints, the Committee concurs with the House by not recommending $5,000,000 for priority initiatives, a new program requested in the President's budget.

Recognizing the immediate need for training and implementation of on-farm water quality practices, the Committee provides the budget request of $6,500,000 for water quality under section 3(d) of the Smith-Lever Act. This amount is $2,500,000 more than recommended by the House and is an increase of $5,000,000 over fiscal 1989.

The Committee concurs with the House in restoring funding for the Expanded Food and Nutrition Education Program [EFNEP] to its fiscal year 1989 level of $58,635,000, rather than adopting the budget recommendation limiting Federal funding to $21,600,000 in fiscal year 1990.

For the first time in several years, the President's budget retains funds for integrated pest management. Noting increased public concern over food supply and ground water safety, the Committee recommends $7,146,000 for pest management, the same amount as was available in fiscal year 1989, as requested in the budget, and as recommended by the House. The Committee expects the Department to cooperate with the Environmental Protection Agency in

establishing an advisory group to identify pesticide uses for which alternatives are critically needed and in planning and directing research for alternatives such as microbial pesticides, pheromones, and other insect behavior modifying biochemicals, predators, and parasites, as well as improved cultural practices.

For pesticide impact assessment, the Committee recommends $2,580,000, the same as the House and the budget request.

The Committee rejects the House recommendation to provide $970,000 for farm safety programs. The President's budget did not request funds for farm safety.

The Committee agrees with the budget request by providing no funding for urban gardening in fiscal year 1990. The House recommended $3,500,000.

The Committee concurs with the House by recommending $1,427,000 for financial management programs, the same as provided in fiscal year 1989. The budget did not include funding for this program.

The Committee concurs with the House and the President's budget in proposing continuation of five rural development centers at $950,000, the same level available in fiscal 1989.

Renewable Resources Extension Act.—The Committee restores funding proposed for elimination by the budget for Renewable Resources Extension Act programs to the fiscal 1989 level of $2,765,000. The House did not fund these programs.

District of Columbia Extension Service.—For the District of Columbia, the Committee recommends $953,000, the same as provided in fiscal year 1989, in the budget request, and by the House.

Rural recovery pilot projects.—The Committee recommends continuation of pilot projects for disadvantaged farmers in Iowa, Kansas, Mississippi, Missouri, Oklahoma, Nebraska, North Dakota, and Vermont at the fiscal year 1989 level of $3,350,000 in accord with the House. The budget proposed no funds for these projects.

1890 colleges and Tuskegee University.—For curricula development and training, the Committee recommends $22,000,000, the same as the House level, and $2,000,000 less than the budget request.

1890 colleges and Tuskegee University facilities.—The Committee recommends $9,508,000 to continue rehabilitation and upgrading of 1890's facilities. This is the same level provided in fiscal year 1989, in the budget request and by the House.

Federal administration and coordination.—The Committee concurs with the House by providing $4,982,000 for general administration, the same as the fiscal 1989 level, and $9,000 less than the budget request.

The Committee rejects the House recommendations of $433,000 for a rural development project in Oklahoma; $138,000 for community revitalization in Minnesota; and $95,000 for New England vertebrate damage control.

The Committee concurs with the House in providing funding for the following projects at their fiscal year 1989 levels: $333,000 for technology transfer projects in Oklahoma and Mississippi; $190,000 for a rural development pilot project in Nebraska; $65,000 for crambe and rapeseed demonstration projects in Nebraska; $258,000 for rehabilitation technology in Georgia; $650,000 for agriculture

development in the American Pacific; and $175,000 for documentary films on American agriculture. The budget did not recommend funding for these projects.

The Committee includes $500,000 to provide technical assistance and support for crop simulation technology developed by the crop science laboratory of the Agricultural Research Service [ARS]. These funds were included in the budget under priority initiatives.

The Committee provides $1,100,000 for the appropriate technology transfer for rural areas project, an increase of $200,000 over the fiscal year 1989 appropriation. The budget request and the House recommended no funding for this project.

The Committee recommends $851,400 to continue the educational model demonstration in North Dakota to train professionals to meet the human and health service demands of rural communities. For this project, $854,000 was provided in fiscal year 1989; no funding was provided in the budget request or by the House.

The Committee recommends a one-time expenditure of $140,000 for communications and laboratory equipment for the Maine Cooperative Extension Service at Presque Isle. No funding was recommended for this purpose in the budget or by the House.

The Committee concurs with the House in recommending continuation of the home sewing project in Mississippi and expansion of this project to South Carolina and Alabama. Up to $180,000 is included for these projects.

The recommendation includes up to $100,000 for a regional extension specialist and one support person to help disseminate the research information from the Plant Materials Center at Booneville, AR. The work of this specialist should be coordinated through the office of the Director of the Arkansas Cooperative Extension Service.

Funding for aquaculture educational programs is provided under the Cooperative State Research Service.

National Agricultural Library

Appropriations, 1989	$14,268,000
Budget estimate, 1990	14,947,000
House allowance	14,448,000
Committee recommendation	14,947,000

The National Agricultural Library [NAL] had its mission outlined by the Organic Act of 1862, establishing the Department of Agriculture. The act sets forth a mission, "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture in the most comprehensive and general sense of the word," and placed upon the Secretary the responsibility to "procure and preserve all information concerning agriculture which he can obtain by means of books * * *."

The NAL disseminates useful information about agricultural and other related sciences to scientists and researchers, administrators and managers, farmers, and the general public. In addition to providing traditional library services such as bibliographies, reference services and document delivery to agricultural scientists and researchers, NAL is expanding its role and serving a wider audience by using modern information dissemination technology to its full-

est. Traditionally, the library has concentrated its thrust toward the agricultural scientists and researchers. The wider audience includes Federal, State, and local administrators, as well as the farmer, the small businessman, public groups at all levels, and the general public.

With approximately 1.8 million volumes of printed material on agriculture and supporting scientific disciplines, NAL has one of the largest collections of its kind in the world. Both current and historical information is collected and organized for effective utilization by a wide range of users.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Library, the Committee recommends an appropriation of $14,947,000. This amount is $679,000 more than the 1989 level, the same as the budget request, and $499,000 more than the House level.

The appropriation includes $400,000 for the National Center for Agricultural Law Research and Information at the Leflar School of Law in Fayetteville, AR. No more than 10 percent of these funds will be retained by NAL for administrative expenses.

The Committee is aware of a proposal by the New York Public Library to consolidate its business and agriculture collections. The purpose of this effort is to expand its role in providing information in the agricultural business and finance field to users in the region and nationally. These materials are currently in various locations throughout the library, and staff are located at several sites. The library is proposing the consolidation and integration of these collections which will provide new and enhanced services to the public and new state-of-the-art information retrieval systems. The Committee will expect the National Agricultural Library to review this proposal and report to the Committee on its feasibility in facilitating access to, and use of, information about agriculture and related sciences.

Office of the Assistant Secretary for Marketing and Inspection Services

Appropriations, 1989	$421,000
Budget estimate, 1990	[1] 427,000
House allowance	427,000
Committee recommendation	427,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Marketing and Inspection Services provides direction and coordination in carrying out laws enacted by the Congress with respect to the Department's marketing, inspection, and standardization related to grain; competitive marketing practices of livestock, meat and poultry, meat and poultry products, marketing orders, and various programs; veterinary services; and plant protection and quarantine. This Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, Agricultural Cooperative Service, Food Safety and Inspection Serv-

ice, Federal Grain Inspection Service, Packers and Stockyards Administration, and Office of Transportation.

COMMITTEE RECOMMENDATION

For the Office of the Assistant Secretary for Marketing and Inspection Services, the Committee recommends an appropriation of $427,000, $6,000 more than the 1989 level, and the same as the budget request and the House level.

Animal and Plant Health Inspection Service

SALARIES AND EXPENSES

Appropriations, 1989	$331,207,000
Budget estimate, 1990	332,756,000
House allowance	342,146,000
Committee recommendation	352,768,000

The Animal and Plant Health Inspection Service [APHIS] conducts programs to protect the animal and plant resources of the Nation from destructive pests and diseases in order to preserve the marketability of U.S. agricultural products within this country and abroad. Three major areas of activity are discussed below.

Animal and plant disease and pest control.—APHIS conducts inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests; survey, diagnostic, and inspection activities in the United States to locate and prevent the spread of agricultural pests and diseases; control and eradication programs to combat new and endemic infestations and infections; and emergency eradication programs when devastating plant and animal diseases threaten the United States. The agency also participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities.

Animal damage control.—APHIS carries out a cooperative program to reduce agricultural losses caused by predatory animals, birds, and rodents; conducts control operations for target species on Federal, State, and private lands; provides technical assistance to other cooperators such as States, counties, or farmer or rancher groups; and conducts basic and applied research aimed at reducing economic damage from vertebrate animals.

Other regulatory activities.—APHIS performs other regulatory activities including the development of standards for and the licensing and testing of veterinary biologicals to insure their safety and effectiveness; the inspection of certain establishments which handle animals intended for research, exhibition, and pet purposes, as defined by law, to insure their humane treatment, and the regulation of the import and export of endangered plant species.

COMMITTEE RECOMMENDATIONS

The following table summarizes the Committee's recommendations for the Animal and Plant Health Inspection Service:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 1989 appropriation	Fiscal year 1990 budget	House allowance	Committee recommendation
Plant disease and pest control:				
Agricultural quarantine inspection	66,468	66,468	66,468	66,468
International programs	2,318	2,153	2,153	2,153
Pest detection	4,197	3,928	3,928	3,928
Plant protection programs:				
Africanized honey bee	1,950	1,950	1,950	1,950
Biocontrol	4,318	6,700	5,509	5,950
Boll weevil	9,600	9,600	9,600	13,135
Golden nematode	950	800	800	800
Grasshopper and Mormon cricket	3,850	5,950	5,950	3,850
Reserve fund	5,000			5,000
Gypsy moth	5,442	5,442	5,442	5,442
Honey bee pest		500	250	500
Imported fire ant	5,000	2,250	5,000	5,000
Mediterranean fruit fly	9,856	10,400	10,256	9,856
Mexican fruit fly	1,553	1,882	1,717	1,553
Miscellaneous plant pests	1,124	1,124	1,124	1,124
Noxious weeds	597	597	597	1,197
Pink bollworm	1,700	1,080	1,700	1,700
Russian wheat aphid				1,588
Witchweed	5,281	5,281	5,281	5,281
Total, plant disease and pest control	129,204	126,105	127,725	136,475
Animal disease and pest control:				
Animal disease detection	4,800	5,989	5,394	5,394
Animal health compliance and enforcement	14,694	14,694	14,694	14,694
Import-export inspection	8,604	8,604	8,604	8,604
International programs	2,034	2,151	2,151	2,151
Veterinary biologics	8,641	8,641	8,641	8,641
Veterinary diagnostics	12,371	12,371	12,371	12,371
Animal health programs:				
Brucellosis	55,841	55,841	61,841	63,729
Cattle ticks	6,258	4,193	6,258	4,193
Foot-and-mouth disease (Darien Gap)	3,053	3,053	3,053	3,053
Miscellaneous animal diseases	1,998	1,998	1,998	1,772
National poultry improvement plan	219	219	219	219
Poultry diseases	643	643	643	643
Pseudorabies	2,672	2,400	2,950	3,725
Scrapie eradication				1,500
Screwworm	32,045	32,045	32,045	32,045
Swine health protection	3,265	3,265	3,265	3,265
Tuberculosis eradication	3,889	3,501	3,501	3,501
Animal welfare	6,197	7,567	7,567	7,567
Horse protection	161	161	161	161
Total, animal disease and pest control	167,385	167,336	175,356	177,228
Animal damage control	25,618	29,815	29,815	29,815
Biotechnology	4,500	5,000	4,750	4,750
Contingencies:				
Plant disease and pest control	2,250	2,250	2,250	2,250
Animal disease and pest control	2,250	2,250	2,250	2,250
Total, contingencies	4,500	4,500	4,500	4,500
Total, salaries and expenses	331,207	332,756	342,146	352,768

For the salaries and expenses of the Animal and Plant Health Inspection Service, the Committee recommends an appropriation of

$352,768,000. This amount is $20,012,000 more than the budget estimate, $21,561,000 more than the level for fiscal year 1989, and $10,622,000 more than the House amount.

Agricultural quarantine inspection.—For quarantine inspection, the Committee provides $66,468,000, the same as the House and budget levels, and concurs with the House in providing $205,000 for the purchase of additional electronic baggage inspection equipment for airports in Hawaii.

The Committee is aware that in 1985 the Department received recommendations from its own scientific review panel regarding a proposal to revise and update plant protection quarantine No. 37. It is now nearly 4 years since these recommendations were received. The Committee has been assured by the Department that proposed rules revising and updating quarantine No. 37 will be published in two parts this year. The Committee urges the Department to avoid further delay in this matter and to publish all proposed revisions and updates to quarantine No. 37 before the end of calendar year 1989.

Boll weevil eradication.—The Committee recommends an appropriation of $13,135,000 for the boll weevil eradication programs in the southeastern States of Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama; the Western States of Arizona and California; and the containment program for the Texas High Plains. This is $3,535,000 more than the budget request and the amount provided by the House. The Committee recognizes that the program is based on sound, proven scientific principles and that every effort has been extended to operate the program in an efficient manner, but unusual weather, heavier-than-expected infestations and expanded acreage have placed significant cashflow pressure on the southeastern expansion area. The Committee is aware of the success of the program and recognizes that without the increased funding, eradication efforts may be halted, jeopardizing the progress made toward eliminating this pest. To the extent practicable, APHIS should continue to take such action as necessary to ensure completion of the current eradication efforts and continuation of the containment programs. Further, the Committee urges APHIS to publish the environmental impact statement [EIS] currently in progress as soon as possible.

Noxious weeds.—The Committee recommends $1,197,000 for noxious weeds. This amount is an increase of $600,000 over the budget request, the 1989 appropriation, and the House level.

This level includes $100,000 for hydrilla in Imperial County, CA, and $750,000 for a common crupina eradication program in Idaho and Oregon. The common crupina funds should be made available to the Idaho and Oregon State Departments of Agriculture to be used in cooperation with the local counties and the University of Idaho for the eradication of common crupina.

Leafy spurge.—The Committee has included $1,500,000 under biocontrol for the leafy spurge program begun in 1988. North Dakota alone loses approximately $7,000,000 per year through loss of grazing lands to leafy spurge. The Committee notes that the 1989 funds were used to survey for leafy spurge and to release natural enemies in Idaho, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Washington, and Wyoming.

The Committee is concerned by the greater strides being made in Canada than in the United States on this pest. The Department is urged to use the increased funding to step up its control efforts, to deploy more of the biocontrol agents now available for release, and to cooperate with the Canadian program to bring about accelerated control in the United States.

Brucellosis eradication.—For brucellosis eradication, the Committee recommends a program level of $63,729,000. This amount is $7,888,000 more than the 1989 level and the budget request and is $1,888,000 more than the House amount. The Department is urged to allocate sufficient funds to the eradication of swine burcellosis in order for that program to be successful.

Animal damage control.—The Committee recommends $29,815,000 for the animal damage control program. This amount is $4,197,000 more than the 1989 level, and the same as the budget request and House level.

The appropriation provides for continuation of the following programs at the 1989 locations and funding levels: $100,000 for taste aversion in Arizona, California, Nevada, and Texas; $240,000 for rat control in Hawaii; $250,000 for guarding dog in Oregon, Washington, Idaho, Wyoming, Minnesota, and Montana; $52,000 for maple sap pipelines in Vermont; $368,000 for blackbird control in North Dakota; and $275,000 for the delta States program.

In addition, the Committee recommends: $240,000, an increase of $40,000, for the Arkansas program; an increase of $75,000 for a cooperative agreement with the Maine Department of Inland Fisheries and Wildlife; a $200,000 increase to establish a cooperative beaver control program in Mississippi; a $100,000 increase to address the problems involving wildlife species in Louisiana, especially those problems involving resident wildlife species that are protected by State law; an increase of $250,000 for cooperative efforts with an academic institution to implement a model program that integrates animal damage control science and technology into its wildlife management curriculum. The institution must have a strong capability in wildlife management, particularly predators, and close working ties with the science and technology component of APHIS' ADC program; and a $100,000 increase for blackbird resistant sunflower research in North Dakota.

The Committee is concerned by the failure of private industry to maintain low volume and minor use pesticides. Through its activities in pesticide registration and bait formulation, APHIS fills this void. Therefore, the Committee concurs with the House in including an increase above the 1989 level of not less than $1,500,000 for APHIS to continue its pesticide registration activity for vertebrate pesticides through its Denver Wildlife Research Center. APHIS is also directed to continue the management and operation of its Pocatello Supply Depot for the formulation and distribution of those products necessary for control of wildlife damage.

The Committee believes that the program aimed at cormorants, other fish-eating birds, beaver damage to forest and crop lands, and other predators should continue to receive emphasis in the delta States due to the significant losses experienced by farmers in the region. The Committee emphasizes that this program should be available to all States in the region.

Funds appropriated for the animal damage control program shall not be used for other purposes at the expense of traditional on-the-ground predator control activities and State animal damage control programs.

Grasshopper and Mormon cricket.—The Committee recommends an appropriation of $8,850,000 for the grasshopper and Mormon cricket programs. This amount is the same as the 1989 level and $2,900,000 more than the budget request and the House level. Of this amount, $5,000,000 is for the reserve fund. The Committee directs that $3,430,000 of the reserve fund be used to continue the integrated pest management project in Idaho and North Dakota in 1990.

Recent infestations of grasshoppers in Minnesota are causing severe economic losses. The Committee concurs with the House in encouraging APHIS to cooperate in local cost sharing on other than rangeland if such action will assist in the overall goals of a grasshopper control program.

Pseudorabies.—The Committee recommends $3,725,000 for the pseudorabies [PRV] program. This amount is $1,053,000 more than was provided in 1989, $1,325,000 more than the budget request, and $775,000 more than the House level. The Committee directs that not more than 5.15 percent of this account be deducted for administrative support.

Gypsy moth.—Pursuant to a 1985 agreement between USDA and the State of Oregon, APHIS is to provide such sums as may be necessary to complete treatment on those Federal, State, and private lands in Oregon which remain affected by gypsy moth infestation.

Miscellaneous animal diseases.—The Committee recommendation includes no funds for scrapie in this category since a separate funding level has been designated. However, the amount does include up to $107,000 for calicivirus research at Oregon State University. This virus is threatening the health and safety of domestic livestock.

Russian wheat aphid.—The Committee recommends $1,588,000 for work on controlling the Russian wheat aphid. The House provided no funds. The budget request included $750,000 under biocontrol; therefore, that item is reduced by a like amount.

Honey bee pest.—The Committee expects $100,000 of the $500,000 provided to be used, first for a cooperative project by the University of Idaho and the Idaho Alfalfa Seed Commission at the Southwest Idaho Research and Extension Center, Parma, ID, to emphasize application of basic research to field situations, and second, to support a cooperative program of chalkbrood biological control with Utah State University.

Scrapie.—The recommendation includes $1,500,000 for scrapie control and eradication. There was no budget request and the House included no funds. In 1989, a portion of the funds for miscellaneous animal diseases was used for scrapie work.

BUILDINGS AND FACILITIES

Appropriations, 1989	$2,546,000
Budget estimate, 1990	15,172,000
House allowance	15,172,000
Committee recommendation	11,672,000

This account funds major nonrecurring construction projects in support of specific program activities and recurring construction, alterations, and repairs of existing APHIS facilities.

COMMITTEE RECOMMENDATIONS

For buildings and facilities of the Animal and Plant Health Inspection Service for 1990, the Committee recommends an appropriation of $11,672,000. This amount is $9,126,000 more than the 1989 appropriation, and $3,500,000 less than the budget estimate and the House level.

The recommendation includes an increase of $5,000,000 for the Denver Wildlife Research Laboratory and an increase of $3,000,000 to construct the Plant Germ Plasm Quarantine Laboratory.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 1989	$404,954,000
Budget estimate, 1990	422,799,000
House allowance	422,799,000
Committee recommendation	422,799,000

The Food Safety and Inspection Service [FSIS] was established on June 17, 1981, by Secretary's Memorandum No. 1000–1 issued pursuant to Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201).

The major objective of FSIS is to ensure that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The Meat and Poultry Inspection Program of FSIS provides inplant inspection of all domestic plants preparing meat or poultry products for sale or distribution in commerce; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs equal to that of the Federal Inspection Program.

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service, the Committee recommends an appropriation of $422,799,000. This amount is $17,845,000 more than the amount provided in 1989, and the same as the budget estimate and the House level.

The Committee notes that FSIS has withdrawn its proposed improved processing inspection regulations in order to hear and respond to the numerous and varied comments received on the initial proposal. The Committee expects the 1991 budget to be based on current law, with proposed legislative or regulatory changes affecting appropriations to be reflected separately.

FEDERAL FISH INSPECTION

Heightened public awareness of the health benefits associated with eating fish and seafood and the many new fish and seafood products which have been introduced in the marketplace have prompted a growing demand for fish and seafood. On the other hand, there is widespread public concern over the pollution of coastal and ocean areas and the impact this pollution might be having on the safety of seafood. Consumer, environmental, and industry groups agree that better inspection of products would improve the health and well-being of consumers and increase public confidence in the safety of fish and seafood.

The Committee recognizes that there is a distinct need to provide important safeguards for both American seafood consumers and the U.S. fish and seafood industry. Therefore, in an effort to consolidate Federal responsibilities for the inspection of fish and seafood, the Committee recommends that a comprehensive program be developed within the U.S. Department of Agriculture. This seafood inspection program should be based upon modern hazard analysis critical control point principles recommended by the National Academy of Sciences.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 1989	$8,115,000
Budget estimate, 1990	8,255,000
House allowance	8,185,000
Committee recommendation	8,185,000

The Federal Grain Inspection Service [FGIS] was established on November 20, 1976, to carry out and administer the provisions of the U.S. Grain Standards Act [USGSA] (Public Law 94–582). The mission of FGIS is to provide for the establishment of official U.S. standards for grain and other commodities, to promote the uniform application thereof by official inspection personnel, to provide for an official inspection system for grain, and regulate the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the USGSA and the regulations thereof; and to carry out the delegated responsibilities under the Agricultural Marketing Act of 1946 [AMA].

The costs of nearly all field services and most headquarters activities are financed from fees charged for services performed. Compliance and standardization activities, international monitoring, and the FGIS Advisory Committee are financed from appropriations. The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

COMMITTEE RECOMMENDATIONS

For the Federal Grain Inspection Service, the Committee recommends an appropriation of $8,185,000. This amount is $70,000 more

than the amount provided in 1989, $70,000 less than the budget request, and the same as the House level.

INSPECTION AND WEIGHING SERVICES

Appropriations, 1989	$36,856,000
Budget estimate, 1990	36,856,000
House allowance	36,856,000
Committee recommendation	36,856,000

The Federal Grain Inspection Service provides an official grain inspection and weighing system under the U.S. Grain Standards Act [USGSA], and official inspection of rice and grain related products under the Agricultural Marketing Act [AMA] of 1946. The USGSA was amended in 1981 to require the collection of user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $36,856,000 on the obligation of funds collected through user fees. The limitation is the same as the 1989 level, the budget estimate, and the House level.

AGRICULTURAL COOPERATIVE SERVICE

Appropriations, 1989	$4,655,000
Budget estimate, 1990	2,303,000
House allowance	4,714,000
Committee recommendation	4,714,000

The Agricultural Cooperative Service [ACS] is assigned functions under both the Cooperative Marketing Act of 1926 and functions that relate to the economic and marketing aspects of farmer cooperatives under the Agricultural Marketing Act of 1946. Under the Cooperative Marketing Act, ACS is authorized to: (1) acquire, analyze and disseminate economic, statistical, and historical information regarding the progress, organization, and business methods of cooperative associations in the United States and foreign countries; (2) conduct studies of the economic, legal, financial, social, and other phases of cooperation, including analyses of the organization, operation, financial, and merchandising problems of cooperative associations; (3) make surveys and analyses of the accounts and business practices of representative cooperative associations; (4) confer and advise producers who want to form a cooperative association and make economic analyses of facts relevant to establishing such an association; (5) promote knowledge about cooperative principles and practices; and (6) acquire and disseminate such information.

Under the Agricultural Marketing Act, ACS is authorized to carry out responsibilities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings. In addition, ACS is authorized to work with institutions and international organizations and to conduct research to aid new and existing cooperatives.

ACS serves as the focal point of national activity involving agricultural cooperatives. The purpose of ACS is to help farmers help

themselves by providing the assistance necessary to support and improve existing cooperatives and to help farmers organize new cooperatives. The studies conducted by ACS, alone or in conjunction with other Federal or State institutions, are intended to provide farmers with information on economic, financial, organizational, legal, and social aspects of cooperative activity.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $4,714,000 for the Agricultural Cooperative Service for fiscal year 1990. This amount is $59,000 above the amount provided in 1989, $2,411,000 more than the budget estimate, and the same as the House level. The Committee rejects the proposed reductions in research activities and technical assistance provided to existing cooperatives and directs that the Service be fully staffed.

The Committee has maintained bill language that earmarks $99,000 for a field office in Hawaii.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service [AMS] was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by some 31 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499s); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 (15 U.S.C. 713c).

The primary objective of AMS is to enhance the marketing and distribution of agricultural products from the Nation's farms. This is achieved through the collection and dissemination of market news information, the establishment of grading standards, inspection and grading services, and various marketing development programs. Approximately three-fourths of the funds needed to finance these activities are derived through user fees.

The Agricultural Marketing Service administers the following programs: Market news service; inspection, grading, and standardization services; market protection and promotion activities; wholesale market development; Federal-State Marketing Improvement Program; Perishable Agricultural Commodities Act; and strengthening markets, income, and supply (section 32). The AMS also provides program-related services for Federal, State, and private agencies on a reimbursable basis.

MARKETING SERVICES

Appropriations, 1989	$33,373,000
Budget estimate, 1990	32,242,000
House allowance	33,187,000
Committee recommendation	33,155,000

COMMITTEE RECOMMENDATIONS

For marketing services, the Committee recommends an appropriation of $33,155,000. This amount is $218,000 less than the amount provided in 1989, $913,000 more than the budget estimate, and $32,000 less than the House level.

The Committee concurs with the House in restoring funding for the Federal Seed Act and wholesale market development programs and in allowing for the transfer of $777,000 in Government-wide food specification program costs to the section 32 administrative account. The Committee rejects the budget recommendation to impose user charges for standardization activities.

The Committee does not concur with the House in providing $100,000 for the Horticultural Producers Federation marketing program, noting that, previously, funds have been provided through the Department of Commerce.

For the Agribusiness Development Center in Columbia, SC, the Committee directs the Agricultural Marketing Service [AMS] to continue to provide two full-time staff members to work cooperatively with the South Carolina Department of Agriculture to plan and design the marketing, distribution, and agribusiness service functions of the center. In conducting this comprehensive evaluation, AMS will provide additional resources and permit contracting for data collection as necessary.

In agreement with the House, the Committee recommends that AMS undertake an evaluation of the Regional Terminal Market to serve Maine and five eastern Canadian provinces. The Committee provides $50,000 for this purpose.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 1989	$36,500,000
Budget estimate, 1990	35,462,000
House allowance	37,962,000
Committee recommendation	37,962,000

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) initiated a system of user fees for the cost of grading and classing tobacco, cotton, naval stores, and for warehouse examination. These activities, authorized under the U.S. Cotton Standards Act, the Tobacco Inspection Act, the Naval Stores Act, the U.S. Warehouse Act, and other provisions of law are designed to facilitate commerce and to protect participants in the industry.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation on obligations from user fees for these activities of $37,962,000. This amount is $1,462,000 more than last year's level, $2,500,000 more than the

budget request, and the same as the House level. The increase is provided to cover grading and classing of a larger than estimated cotton crop and increased testing of imported tobacco.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(BY TRANSFER)

Appropriations, 1989	$7,811,000
Budget estimate, 1990	8,007,000
House allowance	8,007,000
Committee recommendation	8,007,000

Under section 32 of the act of August 24, 1935 (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances up to $300,000,000 are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Nutrition Service have been provided in recent appropriation acts.

The section 32 program administered by the Agricultural Marketing Service consists of commodity purchases for the removal of surplus agricultural products and the subsequent donation of these products to domestic feeding programs; the administration of commodity contracting in the commodity purchase services activity; and the administration of marketing agreements and orders.

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of $8,007,000 for the formulation and administration of marketing agreements and orders. This amount is the same as the budget request and the House level, and is $196,000 more than the 1989 transfer.

The Committee recommends a program that will provide for an unobligated balance of approximately $300,000,000 at the end of fiscal year 1990. This is based on actual customs receipts for calendar year 1988.

The Dire Emergency Supplemental Act for Fiscal Year 1989 (Public Law 101–45) provided that the Secretary use section 32 authorities to stabilize the apple industry. Recent fluctuations in the apple market have resulted in serious losses to the industry and significant surpluses in fresh apple products. The Committee expects the Department to use section 32 purchases for apples and apple products to stabilize the apple market and to satisfy the requests of recipient agencies; and that, in addition to the traditional nutrition assistance programs, these products should be diverted to any available beneficial use.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 1989	$942,000
Budget estimate, 1990	
House allowance	942,000
Committee recommendation	1,500,000

The Federal-State Marketing Improvement Program is authorized by section 204(b) of the Agricultural Marketing Act of 1946, in which cooperative agreements are authorized between the U.S. Department of Agriculture and State departments of agriculture or similar State agencies. Beginning in fiscal year 1980, those projects funded were coordinated with the Wholesale Market Development Program. These agreements make possible joint Federal/State projects aimed at improving the efficiency of the agricultural marketing chain. The States contribute at least half of the cost of such projects. The work is performed either by State personnel or is contracted out to private industry.

Payments are made to State marketing agencies to assist in testing new marketing innovations to reduce the cost of marketing and seek means for providing more reliable market information, developing better quality commodity grading standards, and developing additional domestic and foreign market outlets. This program has covered such projects as: electronic marketing, telephone auction systems, maintaining and improving the quality of products, reducing marketing costs, expanding outlets for products, collecting and disseminating special State and local market information and statistics, and improving the organizational structure of the marketing system.

COMMITTEE RECOMMENDATIONS

Contrary to the budget recommendation to terminate payments to States and possessions for cooperative agricultural marketing projects, the Committee provides $1,500,000, an increase of $558,000 over the fiscal year 1989 appropriation and the House recommendation. The Committee recommends increasing the limited Federal contribution toward domestic agricultural marketing and promotion activities by encouraging innovation, product diversification, and new technologies.

OFFICE OF TRANSPORTATION

Appropriations, 1989	$2,397,000
Budget estimate, 1990	1,395,000
House allowance	2,397,000
Committee recommendation	2,397,000

The Office of Transportation [OT] was established by Secretary's Memorandum 1966 on December 12, 1978. The Office consolidated several transportation functions of the Department of Agriculture in an attempt to solve problems of United States and world agricultural problems.

Activities of the Office of Transportation have been centered on providing technical assistance to shippers and carriers, providing research, development, and demonstrations of agricultural transport equipment, analyzing the unique transportation needs of rural

America, and representing the Department of Agriculture in regulatory actions involving various Federal departments and agencies.

COMMITTEE RECOMMENDATIONS

For the Office of Transportation, the Committee recommends an appropriation of $2,397,000. This amount is the same as the 1989 level, $1,002,000 more than the budget estimate, and the same as the House level.

PACKERS AND STOCKYARDS ADMINISTRATION

Appropriations, 1989	$9,562,000
Budget estimate, 1990	9,562,000
House allowance	9,562,000
Committee recommendation	9,562,000

The Packers and Stockyards Administration [P&SA] was reestablished by Secretary's Memorandum No. 1000–1, of June 17, 1981, and administers the Packers and Stockyards Act of 1921. The agency carries out the Secretary's responsibilities under section 1324 of the Food Security Act of 1985 covering central filing systems established by States for prenotification of security interests against farm products. The agency also has responsibility for persons and firms subject to the Packers and Stockyards Act for the Truth-in-Lending Act, the Fair Credit Reporting Act, and Freedom of Information Act.

The principal purpose of the Packers and Stockyards Administration programs is to assure the integrity of the livestock, meat, and poultry markets and the marketplace. This includes fostering fair and open competition and guarding against deceptive and fraudulent practices which affect the movement and price of meat animals and the products therefrom. The work of the agency is also aimed at protecting consumers and members of the livestock, meat, and poultry industries against unfair business practices which can unduly affect meat and poultry distribution and prices.

The Food Security Act of 1985 permits the States to establish central filing systems for the purpose of prenotifying buyers, commission merchants, and seller agents of security interests against farm products. It is the responsibility of the Packers and Stockyards Administration to issue regulations and to certify those systems which meet the criteria set forth in the statute.

In 1987 the Packers and Stockyards Act was amended to provide financial protection to poultry growers and sellers, and to clarify Federal jurisdiction under the act. The act is cited as the Poultry Producers Financial Protection Act of 1987 (Public Law 100–173).

COMMITTEE RECOMMENDATIONS

For the Packers and Stockyards Administration, the Committee recommends an appropriation of $9,562,000, the same as the 1989 appropriation, the budget estimate, and the House level.

FARM INCOME STABILIZATION

OFFICE OF THE UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

Appropriations, 1989	$413,000
Budget estimate, 1990	[1] 419,000
House allowance	419,000
Committee recommendation	419,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Under Secretary for International Affairs and Commodity Programs administers the laws enacted by the Congress for the Foreign Agricultural Service, Agricultural Stabilization and Conservation Service, the Commodity Credit Corporation, and the Office of International Cooperation and Development.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for International Affairs and Commodity Programs, the Committee recommends an appropriation of $419,000. This amount is $6,000 more than the 1989 level and the same as the budget request and the House level.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service [ASCS] was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 901–913). The warehouse examination function was transferred from the Agricultural Marketing Service to ASCS under Secretary's Memorandum 1020–15, effective May 13, 1984. The U.S. Warehouse Act (7 U.S.C. 241–273) is the legislative authority for this program. The Food Security Act of 1985, enacted on December 23, 1985, provided for changes to several existing programs and required the implementation of many new programs, primarily those operated through the Commodity Credit Corporation.

The ASCS conducts its programs in the field through a number of offices. Agricultural Stabilization and Conservation State and county committees are responsible for local administration of a variety of programs dealing directly with the farmer. Through the farmer-elected agricultural stabilization and conservation [ASC] county committees, ASCS also obtains recommendations and advice in the formulation of program plans and policies. There are 50 ASC State committees, an ASC committee in Puerto Rico, and 3,054 county committees. The Washington headquarters offices and the Kansas City field offices are the principal staff offices for carrying out activities of the Commodity Credit Corporation [CCC]. Such functions include accounting for loans and purchases; acquisition, management, storage, and disposition of commodities; and related transportation and accounting activities.

ASCS licenses warehouses and performs inspections of these facilities, for a fee, to reduce the risk of financial loss to depositors storing commodities at licensed facilities. Inspections are also per-

formed on nonlicensed facilities that have storage contracts with CCC for commodities owned by or pledged as collateral to CCC.

SALARIES AND EXPENSES

(BY TRANSFER)

	Transfer from CCC
Allotment, 1989	$620,000,000
Budget estimate, 1990	632,588,000
House allowance	632,588,000
Committee recommendation	632,588,000

The account "Salaries and expenses, Agricultural Stabilization and Conservation Service," funds the administrative expenses of program administration and other functions assigned to ASCS. The funds consist of transfers from the Commodity Credit Corporation [CCC] and miscellaneous advances from other sources. These transfers consolidate all administrative funds used by ASCS into one account. The consolidation provides clarity and better management and control of funds, and facilitates accounting, fiscal, and budgetary work by eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

Activities carried out under this program include program formulation and appraisal; operation of supply adjustment, conservation, and price support programs; inventory management and merchandising; and warehouse examination.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Agricultural Stabilization and Conservation Service, the Committee recommends that $632,588,000 be transferred from the Commodity Credit Corporation. This amount is $12,588,000 more than was provided in 1989 and the same as the budget estimate and the House level.

Dairy Indemnity Program

Appropriations, 1989	$5,000
Budget estimate, 1990	
House allowance	5,000
Committee recommendation	5,000

Under this program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout. The authorization for this program was extended through September 30, 1990, by the Food Security Act of 1985 (Public Law 99-198).

COMMITTEE RECOMMENDATIONS

For the Dairy Indemnity Program, the Committee recommends $5,000. This amount is the same as the 1989 and House levels. No funds were requested in the President's budget.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

Appropriations, 1989	$201,992,000
Budget estimate, 1990	225,626,000
House allowance	225,626,000
Committee recommendation	225,626,000

The Federal Crop Insurance Corporation [FCIC], a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 150–1520), to carry out the provisions of the Federal Crop Insurance Act. The purpose of the Corporation is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance.

The Federal Crop Insurance Corporation provides a cost-sharing insurance program for agricultural producers to protect their production investment against unavoidable risks. The crop insurance program constitutes a joint effort by the private insurance industry and the Government. The private insurance companies and agents are being utilized in the delivery of the program to the farmers.

The Federal Crop Insurance Program comprises the following major activities: (1) underwriting, actuarial, and program development which consists of the development of crop insurance programs and the establishment and maintenance of rates and coverages for crops in each county; (2) reinsured companies, which covers the insurance companies' costs of insurance marketing, distribution, servicing, training, quality control, and loss adjustment functions. The companies also share with FCIC, to a limited extent, both profits and losses; (3) agency sales and service agreements and loss adjustment contracts consist of what is commonly referred to as master marketing agreements and the loss adjustment contracts associated with direct insurance operations. Under this type of agreement, private insurance companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and services. Also included are amounts necessary for the loss adjustment activities contracted by FCIC, which are associated with these contracts; (4) compliance consists of reviews of the activities of the reinsured companies to assure compliance and uniformity in loss adjustment procedures, training development, quality control methods utilized and, in general, all service operating facets of the crop insurance program; (5) program management and administrative support consists of the contract administration and marketing for the dual delivery system of crop insurance as well as administrative support in financial, management services, and personnel management for FCIC.

The various crop insurance programs are planned, developed, and monitored by the FCIC headquarters office located in Washing-

ton, DC, and its national operations office located in Kansas City, MO. The program is administered in the field through 18 field operations offices and 11 field actuarial offices. Selling and servicing at the county level is performed primarily by agents operating under agency sales and service agreements (master marketing agreements) and agents of reinsured companies. The adjustment of losses is performed primarily by adjusters and reinsured companies under contract with FCIC. Also, ASCS performs some support on a reimbursable basis for the Corporation.

COMMITTEE RECOMMENDATIONS

For administrative and operating expenses of the Federal Crop Insurance Corporation, the Committee recommends an appropriation of $225,626,000. This amount is $23,634,000 more than the amount provided in 1989 and the same as the budget estimate and House level.

FCIC FUND

Appropriations, 1989	$112,000,000
Budget estimate, 1990	162,939,000
House allowance	162,939,000
Committee recommendation	162,939,000

The Federal Crop Insurance Act of 1980, as amended, authorizes the payment of up to 30 percent of the adjusted insurance premium paid by agricultural producers participating in the program. Subsidies will be paid by the Corporation based upon 30 percent of the risk premium (reduced, where applicable, for hail and fire exclusion) on any coverage under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised yield, encouraging the broadest possible participation of agricultural producers in the program.

COMMITTEE RECOMMENDATIONS

For the FCIC fund, the Committee recommends an appropriation of $162,939,000, which is $50,939,000 more than the amount available in 1989 and the same as the budget request and the House level.

Commodity Credit Corporation

The Commodity Credit Corporation [CCC] is a wholly owned Government corporation created in 1933 to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including products, foods, feeds, and fibers; and to help in the orderly distribution of these commodities. CCC was originally incorporated under a Delaware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

The principal operations conducted by CCC are support programs for agricultural commodities, including the storage, handling, and disposition of commodities acquired under the programs; set-aside

or acreage reduction, loan deficiency, deficiency, disaster, and/or diversion payment programs for feed grains, wheat, rice, and cotton; certificate programs; a conservation reserve program; and special activities, such as those under the Agricultural Trade Development and Assistance Act of 1954, (Public Law 480), which are financed by appropriations authorized by statutes providing for these activities. Under the Food for Peace Act of 1966, CCC may finance short-term export sales on credit terms not to exceed 3 years, and intermediate-term export credit sales in excess of 3 years, but not more than 10 years. The Corporation is also authorized under its charter to enter into export guarantee financing arrangements with respect to exported commodities.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corporation are designated according to their positions in the Department of Agriculture.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Agricultural Stabilization and Conservation Service [ASCS] and the Agricultural Stabilization and Conservation [ASC] State and county committees. The Foreign Agricultural Service, the General Sales Manager, other agencies and offices of the Department, and commercial agents are also used to carry out certain phases of the Corporation's activities.

The Corporation's capital stock of $100,000,000 is held by the United States. Under present law up to $30,000,000,000 may be borrowed from the U.S. Treasury, from private lending agencies, and from others, at any one time. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury.

Under Public Law 87-155 (15 U.S.C. 713a-11, 713a-12), annual appropriations are authorized for each fiscal year, commencing with fiscal year 1961. These appropriations are to reimburse the Corporation for net realized losses.

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 1989	$8,828,286,000
Budget estimate, 1990	[1] 4,800,000,000
House allowance	4,233,000,000
Committee recommendation	4,800,000,000

[1] Amount proposed to be reimbursed through a current indefinite appropriation.

COMMITTEE RECOMMENDATIONS

For reimbursement for net realized losses, the Committee recommends $4,800,000,000. This amount is $4,028,286,000 less than was provided in 1989 and $567,000,000 more than the House level. The budget requested a current indefinite appropriation and estimated

that $4,800,000,000 will be necessary to reimburse the Corporation for net realized losses.

The Committee has stricken House bill language regarding the source of the losses. Nearly $1,000,000,000 of the losses mentioned by the House have already been reimbursed. Estimated unreimbursed losses at the end of fiscal year 1989 are $8,904,019,000. However, the budget does not request this level of reimbursement because it is not needed to maintain operation of the Commodity Credit Corporation.

SHORT-TERM EXPORT CREDIT

The Committee concurs with the House provision of $5,000,000,000 for short-term export credit guarantees which will be available to eligible countries for up to 3 years. The Committee provision is identical to the provisions of section 1125 of Public Law 99-198 and is required by law.

INTERMEDIATE-TERM EXPORT CREDIT

The Committee provides $500,000,000 for intermediate-term export credit guarantees which will be available to eligible countries. This is the same amount provided by the House. The Committee's provision is identical to the provisions of section 1131 of Public Law 98-198 and is required by law.

GENERAL SALES MANAGER

(BY TRANSFER)

Allotment, 1989	$7,200,000
Budget estimate, 1990	7,630,000
House allowance	7,415,000
Committee recommendation	7,415,000

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), (2) Intermediate Credit Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Targeted Export Assistance Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

COMMITTEE RECOMMENDATIONS

For the General Sales Manager, the Committee recommends a transfer of $7,415,000 from Commodity Credit Corporation funds, the same as the House level. This amount is $215,000 more than the amount available for fiscal year 1989 and $215,000 less than the budget request.

TITLE II—RURAL DEVELOPMENT AND ASSISTANCE PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

Appropriations, 1989	$418,000
Budget estimate, 1990	[1] 424,000
House allowance	424,000
Committee recommendation	424,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Under Secretary for Small Community and Rural Development provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's small community and rural development activities and crop insurance programs. The Office has oversight and management responsibilities for the Farmers Home Administration, Rural Electrification Administration, and the Federal Crop Insurance Corporation.

COMMITTEE RECOMMENDATION

For the Office of the Under Secretary for Small Community and Rural Development, the Committee recommends $424,000. This amount is $6,000 more than the 1989 level and the same as the budget request and the House level.

The Committee recognizes that USDA, through the Agricultural Stabilization and Conservation Service and the Farmers Home Administration, has developed two inconsistent standards for qualified family farm entities. Numerous farmers previously qualifying for FmHA loans have been denied credit because of this policy. Accordingly, the Committee directs the Secretary of Agriculture to investigate this issue and resolve any inconsistencies in the definition of qualified farm entities.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration provides credit for those in rural America who are unable to get credit from other sources at reasonable rates and terms. Loan programs are administered through the Agricultural Credit Insurance Fund, the Rural Housing Insurance Fund, the Rural Development Insurance Fund, and the Rural Development Loan Fund. The agency also administers several grant programs.

The agency was established by the Farmers Home Administration Act of 1946 and operates principally under the Consolidated

Farm and Rural Development Act, as amended (7 U.S.C. 1921 et seq.) and title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.).

The Farmers Home Administration makes loans from funds borrowed from the U.S. Treasury.

COMMITTEE RECOMMENDATIONS

The following table reflects the loan and grant program levels of programs administered by the agency in 1989, proposed in the budget for 1990, and recommended by the Committee:

LOAN AND GRANT LEVELS

[In thousands of dollars]

	1989 level	1990 budget	House allowance	Committee recommendation
Rural Housing Insurance Fund:				
Very low-income housing repair loans (sec. 504)	11,330	.....	11,330	11,330
Low-income housing loans (sec. 502)	1,266,710	.....	1,341,710	1,316,710
Rural rental housing loans (sec. 515)	554,900	100,000	579,900	579,900
Domestic farm labor housing loans (sec. 514)	11,480	.....	11,480	11,480
Rural housing site development loans (sec. 524)	570	.....	570,	570
Rural rental assistance agreements	275,310	.....	300,310	300,310
Subtotal, Rural Housing Insurance Fund	2,120,300	100,000	2,245,300	2,220,300
Self-help Housing Land Development Fund	500	.....	500	500
Agricultural Credit Insurance Fund:				
Farm ownership loans (insured)	95,000	50,000	95,000	50,000
Farm ownership loans (guaranteed)	474,000	200,000	474,000	519,000
Farm operating loans (insured)	932,500	600,000	923,000	867,500
Farm operating loans (guaranteed)	2,300,000	2,800,000	2,600,000	2,600,000
Emergency disaster loans	530,000	50,000	600,000	600,000
Soil and water loans (insured)	5,500	.....	11,000	5,500
Soil and water loans (guaranteed)	1,500	.....	3,000	1,500
Indian land acquisition loans	1,000	.....	2,000	1,000
Soil conservation loans	4,600	.....	9,156	4,355
State mediation program	3,000	2,000	3,000	4,000
Subtotal, Agricultural Credit Insurance Fund	4,347,100	3,702,000	4,720,156	4,652,855
Rural Development Insurance Fund:				
Water and waste disposal loans (insured)	332,880	200,000	370,380	340,000
Water and waste disposal loans (guaranteed)	.....	50,000	75,000	75,000
Industrial development loans (guaranteed)	95,700	95,700	95,700	95,700
Community facility loans (insured)	95,700	.....	95,700	95,700
Community facility loans (guaranteed)	.....	50,000	24,000	50,000
Subtotal, Rural Development Insurance Fund	524,280	395,700	660,780	656,490
Rural Development Loan Fund	14,000	14,000	14,000	25,000
GRANT PROGRAMS				
Water and waste disposal grants	116,895	75,000	209,395	209,395
Domestic farm labor housing grants	9,513	5,000	12,500	9,513
Mutual and self-help housing grants	8,000	.....	9,500	8,000
Very low-income housing repair grants (sec. 504)	12,500	10,000	12,500	12,500
Rural community fire protection	3,091	.....	3,091	3,091
Compensation for construction defects	500	250	500	500
Rural housing preservation grants	19,140	15,000	19,140	19,140
Rural development grants	6,500	.....	6,500	26,500
Vouchers	.....	360,000	.....	.....

LOAN AND GRANT LEVELS—Continued

[In thousands of dollars]

	1989 level	1990 budget	House allowance	Committee recommendation
Total, grant programs	176,139	465,250	273,126	288,639
Total, FmHA loans and grants	7,182,319	4,676,950	7,913,862	7,843,694

Note.—Totals may not add due to rounding.

Rural Housing Insurance Fund

The Rural Housing Insurance Fund was established under the authority contained in section 1003(a) of the Housing and Urban Development Act of 1965 (Public Law 89–117), approved August 10, 1965. Public Law 89–117 authorized an appropriation of such sums as may be necessary for the purposes of the fund.

This fund may be used to insure or guarantee rural housing loans; loans for purchasing new or existing rural homes, loans for modernizing or improving rural dwellings, especially in order to make them safer or more sanitary; loans for rural rental and cooperative housing; farm labor housing loans; rural housing site loans; and mobile home park loans. Beginning in fiscal year 1978, rental assistance payments were made from the fund. Loan programs are limited to rural areas which include towns, villages and other places of not more than 10,000 population, which are not part of an urban area, and areas with a population in excess of 10,000 but less than 20,000 if such area is not included in a standard metropolitan statistical area [SMSA] and has a serious lack of mortgage credit for low- and moderate-income borrowers.

This fund provides a variety of loans, within the income categories mentioned, including the following low-income housing assistance: subsidized loans for repairs, general purpose loans, domestic farm labor loans, and rental or cooperative loans. Unsubsidized loans for low-income persons include general purpose loans, site loans, and certain repair loans.

INSURED LOANS

Loan levels, 1989	$1,844,990,000
Budget estimate, 1990	100,000,000
House allowance	1,944,990,000
Committee recommendation	1,919,990,000

Very low-income housing repair loans (section 504).—Loans are made to eligible very low-income applicants who are owners of farms or nonfarm rural property, for the purpose of improving or modernizing a rural dwelling, making the dwellings safer or more sanitary, or removing hazards. The Secretary determines the maximum amount of the loan. These secured loans are made at 1 percent interest and are repayable within 20 years, except that a loan for less than $2,500 need only be secured by a promissory note.

Rural housing building and repair loans (section 502).—Loans are made to enable eligible low-income applicants to purchase, construct, improve, alter, repair, or replace dwellings in rural areas, if

their need for necessary housing cannot be met with financial assistance from other sources. Not less than 40 percent of the funding authorized nationally shall be set aside and 30 percent in each State will be available for very low-income families. These loans bear a note rate based on the cost of money to the Treasury with provisions for interest credit which may reduce the interest rate to as low as 1 percent under certain circumstances. Such loans may not exceed amounts necessary to provide adequate housing, modest in size, design, and cost.

Rural rental and cooperative building loans (section 515).—Loans are authorized to be made to individuals, corporations, Indian tribes, associations, public bodies, trusts, or partnerships to provide moderate cost rental or cooperative housing and related facilities for elderly or handicapped persons or families and other persons of low and moderate income in rural areas. Repaired or rehabilitated rental projects are encouraged in order to provide affordable housing. These loans are repayable in not more than 50 years and currently bear a note rate based on the cost of money to the Treasury with provision for interest credit to tenants which may reduce the interest rate to as low as 1 percent under certain circumstances. These loans are made only if the need for necessary housing cannot be met with financial assistance from other sources except in the case of public bodies.

The Farmers Home Administration has in the past made its rural rental housing loans in conjunction with the Department of Housing and Urban Development's section 8 Rent Subsidy Program. Loans made for units that will receive section 8 assistance bear an interest rate that is reduced either 1 or 2 percent below the unsubsidized rate, depending upon the circumstances of the individual project.

Farm labor housing loans (section 514).—Loans are authorized to be made to a farm owner, to certain public or broad-based private nonprofit organizations, public bodies, or to a nonprofit organization of farm workers to provide modest living quarters, basic household furnishing, and related facilities, including land necessary for an adequate site, for domestic farm labor. Loans will be made based on a determination of need considering housing needs of domestic farm labor, including migrant farm workers in the area, without regard to other housing needs in the area. These loans are repayable in not more than 33 years and bear interest not in excess of 1 percent, except under certain circumstances. Loans to organizations may be made simultaneously with farm labor housing grants which are discussed elsewhere in this report.

Rural housing site loans (section 524) (unsubsidized).—Loans are made for purchase and development of land to be subdivided into building sites for low to moderate income housing borrowers and rural rental and cooperative housing borrowers. Insured loans are made at a note rate based on the cost of money to the Treasury, and are repayable in 2 years.

COMMITTEE RECOMMENDATIONS

For insured loans, the Committee recommends a level of $1,919,990,000. This amount is $75,000,000 more than the 1989

level, $25,000,000 less than the House allowance, and $1,819,990,000 more than the budget request.

The table at the beginning of the Farmers Home Administration section of this report illustrates the distribution of these funds among the various housing programs.

The President's budget requested only $100,000,000 for the traditional rural housing programs and proposed a housing voucher program funded at $360,000,000. The Committee rejects this proposal.

The Committee concurs with the House in making $50,000,000 of the total for section 502 available for unsubsidized loans.

RURAL RENTAL ASSISTANCE PAYMENTS

Limitation, 1989	$275,310,000
Budget estimate, 1990	
House allowance	300,310,000
Committee recommendation	300,310,000

The Housing and Community Development Act of 1974 established a Rural Rental Assistance Program to be administered by Farmers Home Administration through the Rural Housing Insurance Fund.

The objective of the program is to reduce rents paid by low-income families living in FmHA-financed rental projects and farm labor housing facilities. Under this program, low-income tenants will contribute the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with FmHA section 515 rural rental and cooperative housing programs, and the farm labor loan and grant programs. Priority will be given to existing projects for units occupied by low-income families to extend expiring contracts or provide full amounts authorized to existing contracts; any remaining authority will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations.

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee recommends an authorization of $300,310,000, which is $25,000,000 more than the amount available in fiscal year 1989, $300,310,000 above the budget request, and the same as the House level.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND OTHER LOSSES

Appropriations, 1989	$3,660,061,000
Budget estimate, 1990	2,677,897,000
House allowance	2,677,897,000
Committee recommendation	2,677,897,000

This appropriation will reimburse the Rural Housing Insurance Fund [RHIF] for funded interest subsidies and losses incurred in fiscal year 1987. Section 521(c)(1) of the Housing Act of 1949, as

amended, authorizes annual appropriations to the Rural Housing Insurance Fund of the amounts by which interest payments made from the fund to investors in insured loans exceed the interest due from borrowers. In addition, section 517(e) of the act authorizes appropriations to restore all other losses to the fund. The amount requested is exclusive of provision for future losses, unfunded costs, and imputed interest.

COMMITTEE RECOMMENDATIONS

For reimbursement for interest subsidies and other losses, the Committee recommends an appropriation of $2,677,897,000. This amount is $982,164,000 less than was provided in 1989 and the same as the budget estimate and the House level.

Self-help Housing Land Development Fund

Loan level, 1989	$500,000
Budget estimate, 1990	
House allowance	500,000
Committee recommendation	500,000

This fund is authorized by section 523(b)(1)(B) of the Housing Act of 1949, as amended. It is used as a revolving fund for making loans to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organizations, and cooperatives.

COMMITTEE RECOMMENDATIONS

The Committee recommends $500,000 for self-help housing land development loans. There was no budget request. This level is the same as the 1989 appropriation and the House recommendation.

Agricultural Credit Insurance Fund

The Agricultural Credit Insurance Fund is used to insure or guarantee farm ownership, soil and water, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified initial period.

FmHA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from FmHA as approved by the Secretary of Agriculture.

The following programs are financed through this fund:

Farm ownership loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. An insured loan may not exceed $200,000, and a guaranteed loan may not exceed $300,000. Loans are made for 40 years or less.

Farm operating loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit else-

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where, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. An insured loan may not exceed $200,000, and a guaranteed loan is limited to $400,000. The term of the loan varies from 1 to 7 years.

Emergency disaster loans.—Made available in designated areas (counties) and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared by the President or designated for emergency loan assistance by the Secretary of Agriculture. The loan may be up to $500,000.

Soil and water conservation loans.—Made to individuals, cooperatives, corporations, or partnerships who own and/or operate a farm, for land and water development, use and conservation. The loan limit is $200,000 for an insured loan and $300,000 for a guaranteed loan. The repayment period may be up to 40 years.

Indian tribe land acquisition loans.—Made to qualified Indian tribes or tribal corporations to acquire land or interests in land within the tribes' reservations or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof. Loans are made for 40 years or less.

Watershed protection and flood prevention loans.—Made to sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for financing the local share of the cost of installing or repairing works of improvement and water storage facilities, purchasing sites or rights-of-way, and covering related costs. Loans are for not more than 50 years and not more than $10,000,000 for any single plan.

Resource conservation and development loans.—Made to local sponsoring organizations when needed for financing the local share of the cost of installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs in approved resource conservation and development projects. No loan may be made until the Soil Conservation Service and the local organization have agreed on a plan for development work. These loans are repayable in not more than 30 years.

FARM OWNERSHIP LOANS

	Insured	Guaranteed	Total
Loan level, 1989	$95,000,000	$474,000,000	$569,000,000
Budget estimate, 1990	50,000,000	200,000,000	250,000,000
House allowance	95,000,000	474,000,000	569,000,000
Committee recommendation	50,000,000	519,000,000	569,000,000

Subtitle A of the Consolidated Farm and Rural Development Act contains authorizations for farm ownership loans. Farm ownership loans are used for maintaining the family farm by helping owner-operators to restructure their debts or make adjustments in their operations to comply with local sanitation or other requirements, to keep up with advances in agricultural technology, or to better use their land and labor resources to meet changing market re-

quirements. Ownership loans are also used to purchase and develop farms, especially for beginning farmers.

COMMITTEE RECOMMENDATIONS

The Committee is recommending a total program level of $569,000,000 for farm ownership loans. This amount is the same as the amount available in fiscal year 1989, $319,000,000 more than the budget request, and the same as the House level. Of this amount, $50,000,000 is for insured loans, and $519,000,000 is for guaranteed loans.

OPERATING LOANS

	Insured	Guaranteed	Total
Loan level, 1989	$932,500,000	$2,300,000,000	$3,232,500,000
Budget estimate, 1990	600,000,000	2,800,000,000	3,400,000,000
House allowance	923,000,000	2,600,000,000	3,523,000,000
Committee recommendation	867,500,000	2,600,000,000	3,467,500,000

Subtitle B of the Consolidated Farm and Rural Development Act contains the authorization for insured and guaranteed operating loans. These loans are accompanied by supervisory assistance in farm and financial management. Operating credit is needed by family farmers throughout the United States who are unable to obtain credit from private and cooperative sources. This helps to provide opportunity for farm operators and encourage farm families to remain in rural areas.

COMMITTEE RECOMMENDATIONS

The Committee is recommending a total program level of $3,467,500,000 for operating loans. This amount is $67,500,000 more than the budget request, $235,000,000 more than the amount available in 1989, and $55,500,000 less than the House level. Within the total program level, $867,500,000 is recommended for insured operating loans, and $2,600,000,000 is recommended for guaranteed operating loans.

The Committee has recommended bill language providing that the Secretary shall, by October 15, 1989, allocate to the States the full amount of farm operating loans authorized by this act and in a manner that will provide each State with the same percentage of the total as it used in fiscal year 1989.

REAL ESTATE LOANS (OTHER THAN FARM OWNERSHIP)

	Insured	Guaranteed	Total
Loan level, 1989	$16,500,000	$1,500,000	$8,000,000
Budget estimate, 1990			
House allowance	13,000,000	3,000,000	16,000,000
Committee recommendation	6,500,000	1,500,000	8,000,000

These loans include Indian land acquisition loans, and soil and water loans. Indian land acquisition loans are made to Indian tribes or tribal corporations to acquire lands or an interest in lands within the tribe's reservation or Alaskan Indian community. Soil and water loans are made to owners and/or operators of farms to fund soil conservation and development, forestation, drainage of farm land, establishment of a permanent pasture, pollution control or energy-saving measures.

COMMITTEE RECOMMENDATIONS

For real estate loans, other than farm ownership loans, the Committee recommends $8,000,000. Included in this program level is $5,500,000 for insured soil and water loans, $1,500,000 for guaranteed soil and water loans, and $1,000,000 for insured Indian land acquisition loans. These levels are the same as in fiscal year 1989. The House proposes to double each loan program.

SOIL CONSERVATION LOANS

Loan level, 1989	$4,600,000
Budget estimate, 1990	
House allowance	9,156,000
Committee recommendation	4,355,000

Public Law 92-419, approved August 30, 1972, provided for making insured loans for watershed works of improvement, flood prevention, and resource conservation and development.

Watershed and flood prevention loans are made to local organizations for financing the local share of the cost of installing or repairing works of improvement and water storage facilities, purchasing sites or rights-of-way and covering related costs. Loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity.

Resource conservation and development loans are made to sponsors of projects approved for operation by the Soil Conservation Service. Such loans are repayable in not more than 30 years, and bear interest at a rate based on the average rate paid by the Treasury on issues of similar maturity.

COMMITTEE RECOMMENDATION

For soil conservation loans, the Committee recommends $4,355,000, including $3,755,000 for watershed and flood prevention loans and $600,000 for resource conservation and development loans. The House recommendation provides $7,949,000 for water-

shed and flood prevention loans and $1,207,000 for resource conservation and development loans. No funding was requested in the budget.

EMERGENCY DISASTER LOANS

Loan level, 1989	$530,000,000
Budget estimate, 1990	50,000,000
House allowance	600,000,000
Committee recommendation	600,000,000

Emergency loans are made available in designated areas and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared or designated for emergency loan assistance by the President, Secretary of Agriculture, or the Administrator of FmHA.

Emergency loans are made to established eligible farmers, ranchers, and aquaculture operators. Partnerships and private domestic corporations and cooperatives may also qualify, providing they are primarily engaged in agricultural or aquacultural production. Loans may be made for actual losses arising from natural disasters.

Actual loss loans may be made for physical losses to repair, restore, or replace damaged or destroyed farm property, livestock, and livestock products, and supplies, and for production losses to compensate for loss of income based on reduced production of crops and/or livestock products resulting from the disaster. Eligible farmers may use actual loss loan funds to purchase livestock, poultry, or other animals and pay costs incident to reorganizing a farming system to make it a sound operation. The reorganized farming operation, however, must be approximately equivalent in earning capacity to the operation conducted prior to the disaster. Under certain conditions, loan funds may be used to buy essential home equipment and furnishings and for limited refinancing of debts.

COMMITTEE RECOMMENDATIONS

For emergency disaster loans, the Committee recommends $600,000,000, which is $550,000,000 more than the budget request, $70,000,000 more than the 1989 level, and the same amount as the House level.

STATE MEDIATION PROGRAM

Appropriations, 1989	$3,000,000
Budget estimate, 1990	2,000,000
House allowanced	3,000,000
Committee recommendation	4,000,000

The State Mediation Program is authorized by section 502(b) of the Agricultural Credit Act of 1987 to provide matching grants to eligible States which have existing State mediation programs for agricultural borrowers.

COMMITTEE RECOMMENDATIONS

For the State Mediation Program, the Committee recommends $4,000,000. This amount is $1,000,000 more than the 1989 and House levels, and $2,000,000 more than the budget request.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND OTHER LOSSES

Appropriations, 1989	$3,467,596,000
Budget estimate, 1990	4,462,159,000
House allowance	4,259,000,000
Committee recommendation	4,462,159,000

This appropriation will reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses incurred through September 30, 1987, and those from prior years which have not yet been reimbursed. Losses result primarily from (1) writeoff of uncollectable loans and (2) interest costs incurred because of the difference between interest rates charged to borrowers and the rate which the Government must pay for its own borrowing.

COMMITTEE RECOMMENDATIONS

For reimbursement for interest subsidies and other losses, the Committee recommends an appropriation of $4,462,159,000. This amount is $994,563,000 more than was provided in 1989, the same as the budget estimate, and $203,159,000 more than the House level.

RURAL DEVELOPMENT INSURANCE FUND

The Rural Development Act of 1972 authorized the establishment of the Rural Development Insurance Fund under section 309A of the Consolidated Farm and Rural Development Act. This act provided for transfer to the Rural Development Insurance Fund the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities. This fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas.

WATER AND WASTE DISPOSAL LOANS

Loan level, 1989	$332,880,000
Budget estimate, 1990	250,000,000
House allowance	445,380,000
Committee recommendation	415,000,000

Loans are made to public bodies, organizations operated on a not-for-profit basis, and Indian tribes on Federal and State reservations and other federally recognized Indian tribes, for the development of storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. A rural area includes any area in any city or town which has a population of not more than 10,000 inhabitants.

COMMITTEE RECOMMENDATIONS

For insured water and waste disposal loans, the Committee recommends a level of $340,000,000. This amount is $195,380,000 more than the budget estimate, $82,120,000 more than the 1989 amount, and $30,380,000 less than the House level.

For guaranteed water and waste disposal loans, the Committee recommends a level of $75,000,000, the same as the House level and $25,000,000 more than the budget request. No guaranteed loans were available in 1989.

INDUSTRIAL DEVELOPMENT LOANS

Loan level, 1989	$95,700,000
Budget estimate, 1990	95,700,000
House allowance	95,700,000
Committee recommendation	95,700,000

These guaranteed loans are made to public, private, or cooperative organizations organized for profit or nonprofit, to certain Indian tribes, or to individuals for the purpose of improving the economic and environmental climate in rural areas.

Such purposes include financing business and industrial acquisition, construction, conversion, enlargement, repair or modernization; financing the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials; and paying start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile.

Special consideration for such loans is given to rural areas and cities having a population of 25,000 or less. Loans may be guaranteed by FmHA not to exceed 90 percent of the loss. Loans are repayable in not more than 30 years, depending on the loan purpose, and bear interest at a rate agreed upon by the lender and borrower.

COMMITTEE RECOMMENDATIONS

For guaranteed industrial development loans for fiscal year 1990, the Committee recommends a level of $95,700,000. This amount is the same as the budget request, and the 1989 House levels.

COMMUNITY FACILITY LOANS

Loan level, 1989	$95,700,000
Budget estimate, 1990	50,000,000
House allowance	119,700,000
Committee recommendation	145,700,000

Loans are made to public bodies, organizations operated on a not-for-profit basis, and Indian tribes on Federal and State reservations and other federally recognized Indian tribes, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those provid-

ing or supporting overall community development such as fire and rescue services, health care, hydroelectric generation, and community, social, and cultural benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 population.

COMMITTEE RECOMMENDATIONS

For insured community facility loans, the Committee recommends a level of $95,700,000. This amount is the same as the 1989 level, $95,700,000 more than the budget request, and the same as the House allowance.

For guaranteed community facility loans, the Committee recommends a level of $50,000,000, the same as the budget request, and $26,000,000 more than the House. No guaranteed loans were available in 1989.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND LOSSES

Appropriations, 1989	$1,607,047,000
Budget estimate, 1990	1,474,499,000
House allowance	1,474,499,000
Committee recommendation	1,474,499,000

This appropriation will reimburse the Rural Development Insurance Fund for funded interest subsidies and losses incurred in fiscal year 1987 and those in prior years which were not previously reimbursed.

COMMITTEE RECOMMENDATIONS

For reimbursement for interest subsidies and losses for the Rural Development Insurance Fund, the Committee recommends an appropriation of $1,474,499,000. This amount is $132,548,000 less than was provided in 1989 and the same as the budget request and the House level.

RURAL DEVELOPMENT LOAN FUND

	Appropriation	Loan level
Appropriations, 1989		($14,000,000)
Budget estimate, 1990	$12,000,000	(14,000,000)
House allowance	12,000,000	(14,000,000)
Committee recommendation	23,000,000	(25,000,000)

The Rural Development Loan Fund [RDLF] was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88–452) with FmHA making and administering the loans for the Office of Economic Opportunity. The program was transferred to the Community Services Administration [CSA]; however, no new loans were made by the CSA. When the CSA was abolished, this program was transferred to the Department of Health and Human Services [HHS]. New loans were made and administered by HHS until its transfer to the Department of Agriculture. At the time of transfer,

FmHA acquired a portfolio of 29 direct loans for approximately $38,000,000.

The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99-425, the Human Services Reauthorization Act of 1986. Funding for such loans is to be derived from repayments to the fund (principal and interest) from prior loans made from the fund, as well as any additional moneys that might be made available.

Section 1323(b)(2) of the Food Security Act of 1985, Public Law 99-198, authorized the use of these funds pursuant to the first, second, and last sentences of section 623(a) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(a)).

Loans will be made to intermediary borrowers (that is, small investment groups) who in turn will relend the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, et cetera, for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

COMMITTEE RECOMMENDATIONS

For the Rural Development Loan Fund, the Committee provides a loan level of $25,000,000. This amount is $11,000,000 more than the 1989, House, and budget request levels. Since the budget estimate is that $2,000,000 will be available in the fund, a total of $23,000,000 is appropriated to the fund.

The Committee directs FmHA to establish a competitive process for applications for rural development loan funds. In conducting this competition, the Committee will expect FmHA to give a priority to those applications which propose to create the greatest number of jobs for low-income people, relative to the amount loaned, and which evidence the greatest participation with the private sector.

RURAL GRANT PROGRAMS

RURAL WATER AND WASTE DISPOSAL GRANTS

Appropriations, 1989	$116,895,000
Budget estimate, 1990	75,000,000
House allowance	209,395,000
Committee recommendation	209,395,000

This grant program is authorized by section 306 of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, public and quasi-public agencies, and certain Indian tribes, to finance specific projects for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. Grants are used for water and waste disposal projects serving the most financially needy communities to reduce user costs to a reasonable level, to alleviate health hazards, and to meet national safe drinking water and clean water standards in rural areas without the financial capability to do so on their own.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $209,395,000 for rural water and waste disposal grants. This amount is $92,500,000 more than the level available in fiscal year 1989, $134,395,000 more than the budget estimate, and the same as the House level.

The Committee expects that a portion, and no less than $10,000,000, of the water and waste disposal grants and loans will be designated by the Department for areas suffering water problems due to severe drought.

In order to continue to provide rural communities with technical assistance in solving drinking water problems, the Committee directs that the existing technical assistance program be continued at a level at least $1,000,000 above the 1989 level. In fiscal year 1989, approximately $1,100,000 was used for this assistance.

The Department is directed to fund the high-priority Kimzey Regional Water District proposal with the unused rural water and sewer grant and loan funds returned from other States into the national pool.

The Committee notes that many residents of the town of Clinton, TN, do not have access to sewers or a potable water supply. Therefore, $2,500,000 is included in the Committee's recommendations for water and waste disposal grants to begin the needed upgrade of the town's water and sewer services.

VERY LOW-INCOME HOUSING REPAIR GRANTS

Appropriations, 1989	$12,500,000
Budget estimate, 1990	10,000,000
House allowance	12,500,000
Committee recommendation	12,500,000

This grant program is authorized under section 504 of title V of the Housing Act of 1949. The Rural Housing Repair Grant Program is carried out by making grants for very low-income elderly owner-occupants to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

Such grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, installing screens, repairing or providing structural supports, or making similar repairs, additions, or improvements including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

The Secretary determines the maximum amount of grant or combination of loan and grant.

COMMITTEE RECOMMENDATIONS

For very low-income housing repair grants for fiscal year 1990, the Committee recommends an appropriation of $12,500,000. This amount is the same as the 1989 appropriation, $2,500,000 more than the budget estimate, and the same as the House level.

GRANTS FOR RURAL HOUSING FOR DOMESTIC FARM LABOR

Appropriations, 1989	$9,513,000
Budget estimate, 1990	5,000,000
House allowance	12,500,000
Committee recommendation	9,513,000

Under section 516 of the Housing Act of 1949, FmHA is authorized to share with States or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farmworkers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers.

Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or by obtaining an insured loan under section 514 of the Housing Act.

The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless terminated sooner by the Farmers Home Administration. To the extent practicable, grant obligations are secured by a mortgage on the housing or other security. In the event of default, the Farmers Home Administration has the option to require repayment of the grant.

COMMITTEE RECOMMENDATIONS

For grants for rural housing for domestic farm labor for fiscal year 1990, the Committee recommends $9,513,000. This amount is the same as the 1989 appropriation, $4,513,000 more than the budget request, and $2,987,000 less than the House level. Consistent with past years, the Committee recommends making this appropriation available until expended.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 1989	$8,000,000
Budget estimate, 1990	
House allowance	9,500,000
Committee recommendation	8,000,000

This grant program is authorized under section 523 of the Housing Act of 1949. Grants are made to local organizations to promote the development of mutual or self-help housing programs under which groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance. This pro-

gram also provides contract funds for training to be provided to members and staff of self-help technical assistance grant recipient organizations.

COMMITTEE RECOMMENDATIONS

For mutual and self-help housing grants, the Committee recommends an appropriation of $8,000,000. This amount is the same as the level provided in 1989, and $1,500,000 less than the House level. No appropriation was requested by the administration.

The Committee directs FmHA to continue the self-help housing regional technical assistance program. In order to ensure that more families have the opportunity for home ownership, the Committee directs that the technical assistance program focus attention on developing more local self-help housing programs, as well as assisting in the management of programs currently operating.

RURAL COMMUNITY FIRE PROTECTION GRANTS

Appropriations, 1989	$3,091,000
Budget estimate, 1990	
House allowance	3,091,000
Committee recommendation	3,091,000

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

COMMITTEE RECOMMENDATIONS

For rural community fire protection grants, the Committee recommends an appropriation of $3,091,000. This amount is the same as the 1989 appropriation and the House level. No appropriation was requested by the administration.

COMPENSATION FOR CONSTRUCTION DEFECTS

Appropriations, 1989	$500,000
Budget estimate, 1990	250,000
House allowance	500,000
Committee recommendation	500,000

Under section 509(c) of the Housing Act of 1949, as amended, the Secretary of Agriculture is authorized to pay the cost of correcting structural defects and claims arising from defects on newly constructed dwellings purchased with FmHA financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within 18 months of loan closing.

COMMITTEE RECOMMENDATIONS

The Committee recommends $500,000 for compensation for construction defects. This amount is $250,000 more than the budget re-

quest, and the same as the level provided in fiscal year 1989 and by the House.

RURAL HOUSING PRESERVATION GRANTS

Appropriations, 1989	$19,140,000
Budget estimate, 1990	15,000,000
House allowance	19,140,000
Committee recommendation	19,140,000

The Rural Housing Preservation Grants Program is authorized under the Farmers Home Administration by section 533 of the Housing Act of 1949 to make grants to State or local governments, Indian tribes, private nonprofit organizations, and a consortia of other eligible grantees to rehabilitate housing which is either owned or occupied by low or very-low income persons or families.

While the section 504 loan and grant programs are aimed at the same income levels as this program, they are restricted to the elderly. Also, the Farmers Home Administration staff limitations are such that an increase in funding or expansion of responsibility may not provide satisfactory results.

The Preservation Grants Program employs local housing expertise and improves the delivery of rehabilitation assistance. Farmers Home ranks and funds qualified applicants (for example, governments, or nonprofit organizations), but is not responsible for processing individual applications for assistance. The grantee operates the program on a day-to-day basis, and FmHA reviews and monitors the activities of the grantee.

COMMITTEE RECOMMENDATIONS

The Committee recommends $19,140,000 for rural housing preservation grants. This amount is the same as the 1989 appropriation, $4,140,000 more than the budget request, and the same as the House level.

RURAL DEVELOPMENT GRANTS

Appropriations, 1989	$6,500,000
Budget estimate, 1990	
House allowance	6,500,000
Committee recommendation	26,500,000

Rural development grants are authorized by section 310B(c) of the Consolidated Farm and Rural Development Act to facilitate the development of business and industry in rural areas by financing improvements and enhancements to small industrial complexes. Grants are made for the development of industrial facilities including land, buildings, equipment, and supporting facilities.

COMMITTEE RECOMMENDATIONS

The Committee recommends $26,500,000 for rural development grants. This amount is $20,000,000 more than the 1989 appropriation and the House level. No budget request was made by the President.

Bill language has been included providing at least $500,000 for technical assistance for rural communities needing improved transportation systems or facilities to promote economic development. The Committee expects that these funds will be used to support a range of activities including technical assistance to site specific projects, such as those initiated in 1989, to identify and assess the feasibility of other transit development projects, and to provide technical assistance to other rural communities which may lack adequate transportation systems.

The Committee recommends bill language providing $2,000,000 of this appropriation for rural technology grants for statewide private nonprofit public television systems whose coverage area is predominately rural. The purpose of the grants is to initiate a 5-year program to demonstrate the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural residents. Funds may be used for capital equipment and program costs, and other costs necessary to the operation of such a demonstration.

The Committee does not concur with the House in earmarking funds under this account for special purposes. Rather, the Department should review applications and fund those that are worthy.

OFFICE OF THE ADMINISTRATOR

Appropriations, 1989	$600,000
Budget estimate, 1990	
House allowance	600,000
Committee recommendation	600,000

The Office of the Administrator provides overall supervision and coordination for the programs of the Farmers Home Administration.

COMMITTEE RECOMMENDATIONS

For the Office of the Administrator, the Committee recommends $600,000, the same as the 1989 and House levels. The administration requested funds for this account under the "Salaries and expenses" account.

SALARIES AND EXPENSES

	Appropriation	Transfers from loan accounts	Total
Appropriations, 1989	$414,734,000	$4,000,000	$418,734,000
Budget estimate, 1990	418,334,000	4,000,000	422,334,000
House allowance	422,934,000	4,000,000	426,934,000
Committee recommendation	422,934,000	4,000,000	426,934,000

Funds appropriated to this account are used to administer the various loan and grant programs of the Farmers Home Administration, with the exception of emergency loans, which are administered with funds available from the Agricultural Credit Insurance Fund, and watershed, flood prevention, and resource conservation and development loans, which are administered with an annual al-

lotment of funds from the Soil Conservation Service. Administration of the programs includes the reviewing of applications, making and collecting loans, and extending technical assistance to borrowers.

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends a program level of $426,934,000. This amount is $8,200,000 more than the 1989 level, $4,600,000 more than the budget estimate, and the same as the House level.

Included in this amount is $3,400,000 for the circuit rider program, an increase of $532,000 over the 1989 level and $332,000 above the House allowance. With the dramatic increase in costs associated with the Safe Drinking Water Act, the demand for circuit riders in environmentally endangered rural areas has grown significantly, and the increased funding would allow additional circuit riders in those geographic areas.

Also included is $1,000,000 for the second and final year of funding for the Lower Mississippi Delta Development Commission. The work of this Commission is vital to the effort of the seven-State area to overcome 100 years of economic stagnation, and the Committee requests that the Commission provide its final report to the Committees. The Committee has included bill language making funds for this Commission available for obligation and expenditure through September 30, 1990, or the date of expiration of the Commission, and has also included language extending the date for submission of the Commission's interim report to October 16, 1989.

The Committee does not concur with the House regarding retainage requirements by FmHA.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration [REA] was established by Executive Order 7037 on May 11, 1935, to provide loan funds to eligible borrowers for the purpose of extending central station electric service to unserved persons in rural areas. Statutory provision for the agency was made in the Rural Electrification Act of May 20, 1936. On July 1, 1939, under Reorganization Plan II, REA became a part of the Department of Agriculture. On October 28, 1949, the purpose of REA was expanded by Public Law 423 which amended the Act to authorize loans for furnishing telephone service to rural areas.

Public Law 93-32, enacted May 11, 1973, amended the Rural Electrification Act of 1936, as amended, by establishing a Rural Electrification and Telephone Revolving Fund [RETRF] for the purpose of making insured loans to REA electric and telephone borrowers. Loans made under this authority bear either 2- or 5-percent interest in accordance with criteria specified in the act, and have a maturity not to exceed 35 years. The act also authorized REA to guarantee loans made by other lenders at rates and terms agreed upon between the lender and the borrower. The rural electrification and telephone revolving fund legislation contains the following statement of congressional policy:

> * * * it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured, and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended; and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives.

In October 1976, Public Law 94-570 amended the act, changing the statutory criteria used in determining eligibility for the special interest rate (2 percent) insured loans. The change in criteria corrected unintended inequities resulting from Public Law 93-32, bringing the number of borrowers eligible for the special rate more in line with congressional intent and with borrowers' actual needs for loan funds at this rate.

On August 13, 1981, the Omnibus Budget Reconciliation Act, Public Law 97-35, was signed into law to further amend the Rural Electrification Act. This legislation changed the Rural Electrification Act by eliminating the special 2-percent interest rate on insured loans from the RETRF. It also provided that the Administrator may make insured loans at a rate less than 5 percent, but not less than 2 percent, if the borrower has experienced extreme financial hardship, or cannot provide service consistent with the objectives of the act without charging rates so high that a substantial disparity results between such rates and those charged for similar services in the same or nearby areas by other suppliers.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

ELECTRIC LOANS (INSURED)

Loan level, 1989	$622,050,000
Budget estimate, 1990	
House allowance	622,050,000
Committee recommendation	622,050,000

ELECTRIC LOANS (GUARANTEED)

Loan level, 1989	$813,450,000
Budget estimate, 1990	
House allowance	813,450,000
Committee recommendation	813,450,000

TELEPHONE LOANS (INSURED)

Loan level, 1989	$239,250,000
Budget estimate, 1990	
House allowance	239,250,000
Committee recommendation	239,250,000

TELEPHONE LOANS (GUARANTEED)

Loan level, 1989	$119,625,000
Budget estimate, 1990	
House allowance	119,625,000
Committee recommendation	119,625,000

COMMITTEE RECOMMENDATIONS

The Committee commends REA for maintaining stable ratios of concurrent and supplemental loans at the current levels. During fiscal year 1990, the Administrator is expected to provide borrowers supplemental financing in accordance with applicable criteria and ratios in effect as of July 15, 1982.

For insured loans to rural electric systems, the Committee recommends a floor of $622,050,000 and a ceiling of $933,075,000. For insured telephone loans the Committee recommends a floor of $239,250,000 and a ceiling of $311,025,000.

For guaranteed loans, the Committee provides the following: Electric loan guarantees, a floor of $813,450,000 and a ceiling of $1,961,850,000; and for telephone loan guarantees, a floor of $119,625,000 and a ceiling of $138,765,000.

These insured and guaranteed amounts are the same as those available in 1989 and as proposed by the House. The budget proposed to eliminate these accounts.

The Committee has maintained bill language prohibiting REA from using a borrower's level of general funds to determine eligibility for a loan or an advance on a loan previously approved.

The Committee recommends bill language which requires REA to make full use, during fiscal year 1990, of funds which were authorized by Congress for insured loans during previous years, but which were not expended. The Committee directs that full use be made of these previously authorized funds to reduce the backlog of loan applications.

FEDERAL FINANCING BANK DEBT

The Committee supports legislation which would permit all REA borrowers to prepay or refinance their existing Federal Financing Bank debt. The Committee understands that the Agriculture Committee is considering this important issue as part of the reconciliation process. If the Agriculture Committee is unsuccessful in including this provision, the Committee shall address this issue in conference with the House.

REIMBURSEMENT FOR LOSSES

Appropriations, 1989	$341,000,000
Budget estimate, 1990	
House allowance	244,100,000
Committee recommendation	244,100,000

In 1973, the Rural Electrification Act was amended by Public Law 98–32, which created the Rural Electrification and Telephone Revolving Fund [RETRF] through which REA would administer its loan programs. The fund began operations utilizing $7,864,742,000 in assets which were transferred to the fund from the Treasury, and the fund was made liable for approximately $7,400,000,000 of notes previously issued by REA to the Treasury. The fund was simultaneously forgiven from paying any interest associated with that liability to the Treasury. If the fund were liable for this interest, it is estimated that the annual interest cost would be $307,163,625.

In 1979 the General Accounting Office [GAO] ruled that the RETRF should show this would-be interest cost as imputed interest on its financial statements in order to conform to generally accepted accounting principles.

COMMITTEE RECOMMENDATIONS

The Committee recommends $244,100,000 for reimbursement for losses, which is $96,900,000 less than the 1989 amount and the same as the House level. There was no budget estimate.

RURAL TELEPHONE BANK

DIRECT LOANS

Loan levels, 1989	$177,045,000
Budget estimate, 1990	125,000,000
House allowance	177,045,000
Committee recommendation	177,045,000

Public Law 92–12, approved May 7, 1971, amended the Rural Electrification Act of 1936 to establish the Rural Telephone Bank [RTB] as a supplemental source of financing the Rural Telephone Program. The Bank charges a single interest rate based on its average cost of money, but not less than 5 percent per annum. The Bank may borrow public or private funds in a total amount not to exceed 20 times its paid-in capital and retained earnings.

COMMITTEE RECOMMENDATIONS

For Rural Telephone Bank loans, the Committee recommends a floor of $177,045,000 and a ceiling of $210,540,000. These levels are the same as in 1989 and as provided by the House. The President's budget proposed no more than $125,000,000 for these loans.

CAPITALIZATION

Appropriations, 1989	$28,710,000
Budget estimate, 1990	
House allowance	28,710,000
Committee recommendation	28,710,000

The Rural Electrification Act of 1936, as amended, authorizes appropriations for the purchase of class A stock in the Rural Telephone Bank [RTB] by the U.S. Government. This account funds the purchase of class A stock of the Rural Telephone Bank.

Originally, the act authorized U.S. stock purchases totaling $300,000,000 with up to $30,000,000 to be appropriated annually. The $300,000,000 stock purchase was completed in 1981. Public Law 97-98, approved December 22, 1981, amended the act by providing for an authorization of an additional $300,000,000 in U.S. stock purchases with $30,000,000 authorized to be appropriated annually.

COMMITTEE RECOMMENDATIONS

For capitalization of the Rural Telephone Bank, the Committee recommends an appropriation of $28,710,000, the same as the amount that was available for fiscal year 1989 and provided by the House, and $28,710,000 more than the budget request.

RURAL COMMUNICATION DEVELOPMENT FUND

REIMBURSEMENT FOR LOSSES

Appropriations, 1989	$1,447,000
Budget estimate, 1990	1,329,000
House allowance	1,329,000
Committee recommendation	1,329,000

The Rural Communication Development Fund was established pursuant to Secretary's memorandum No. 1988, approved May 22, 1979. The memorandum transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antenna television services to facilities in rural areas.

COMMITTEE RECOMMENDATIONS

To reimburse the Rural Communication Development Fund for interest subsidies and losses sustained in prior years, the Committee recommends an appropriation of $1,329,000. This amount is the same as the budget request, $118,000 less than the 1989 appropriation and the same as the House level.

RURAL ECONOMIC DEVELOPMENT SUBACCOUNT

Appropriations, 1989	$540,000
Budget estimate, 1990	
House allowance	
Committee recommendation	11,357,000

The Rural Economic Development Subaccount was established by the Reconciliation Act of December 1987 (Public Law 203), which amended the Rural Electrification Act of 1936, by establishing a new section 313. Section 313 of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the Rural Economic Development Subaccount. Section 313 authorizes the Administrator of REA to utilize funds in this subaccount to provide grants or zero interest loans to REA borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATIONS

For grants and zero interest loans authorized under section 313 of the Rural Electrification Act, the Committee recommends $11,357,000. There was no budget request, and the House made no recommendation. This amount is in addition to any amounts generated by the interest differential on cushion of credit payments made by REA borrowers.

The recommendation includes $10,000,000 for small business incubators, as authorized by section 313 (including incubator programs which may not involve the sharing of premises) which provide businesses with access to shared services, equipment, or other assistance in order to promote the formation or accelerate the growth of rural businesses. The remaining $1,357,000 is provided for other job creation and economic development projects authorized by section 313.

The Committee expects a quarterly report on the operation of this subaccount, including the number and dollar amount of applications received, pending, approved, and rejected.

OFFICE OF THE ADMINISTRATOR

Appropriations, 1989	$160,000
Budget estimate, 1990	
House allowance	194,000
Committee recommendation	194,000

The Office of the Administrator provides overall supervision and coordination for the programs of the Rural Electrification Administration under the law enacted by the Congress. Funding for this office includes salaries and expenses for the Administrator, the Confidential Assistant to the Administrator, and one secretary. All funds available to this office are contained in this appropriation.

COMMITTEE RECOMMENDATIONS

The Committee recommends $194,000 for the Office of the Administrator. This amount is the same as the House level and $34,000 above the 1989 level. The budget proposes to fund this account under the "Salaries and expenses" account.

SALARIES AND EXPENSES

Appropriations, 1989	$31,124,000
Budget estimate, 1990	30,862,000
House allowance	31,124,000
Committee recommendation	31,124,000

In addition to administering programs for making loans, assurance of feasibility and adequate security, and collections on loans, the REA staff furnishes management and technical assistance to borrowers for the purpose of protecting the Government's loan security, to assure that construction and operation of borrowers' systems conform to approved standards and that the electric and telephone systems continue providing reliable service on an area coverage basis.

COMMITTEE RECOMMENDATIONS

For the salaries and expenses necessary to carry out the functions of the Rural Electrification Administration, the Committee recommends an appropriation of $31,124,000. This amount is the same as the 1989 level, $262,000 above the budget estimate, and the same as the House.

The Committee concurs with the House in providing bill language that prohibits the transfer of funds from the Rural Telephone Bank to pay the salaries and expenses of REA.

The Committee recommends bill language that instructs REA to establish a rural economic development unit to operate on a circuit-rider basis to be comprised of economic and community development professionals.

Among the activities of this new unit will be: (1) providing advice, guidance, and assistance to borrowers on how to make use of the authority of section 312 of the Rural Electrification Act to invest in rural development projects up to 15 percent of total utility plant; (2) providing hands-on circuit rider type of assistance to borrowers on specific economic development projects; (3) developing and demonstrating models of specific development projects and programs for rural electric and telephone systems; (4) acting as an idea-sharing vehicle by informing rural electric and telephone systems across the country of success stories in the economic development area and how they can replicate these successes in their service areas; (5) providing timely assistance to rural electric and telephone systems on development assistance and financing available from other Government agencies, States, and private organizations and how best to access that assistance; (6) administering the rural economic development subaccount; and (7) promoting local partnerships between rural electric and telephone systems, community organizations, States, regional organizations, and other entities to improve rural economic conditions.

CONSERVATION

OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 1989	$266,000
Budget estimate, 1990	[1] 467,000
House allowance	422,000
Committee recommendation	467,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Natural Resources and Environment provides direction and coordination in carrying out the laws enacted by the Congress with respect to natural resources and environment. The Office has oversight and management responsibilities for the Soil Conservation Service and the Forest Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Natural Resources and Environment, the Committee recommends an appropriation of $467,000. This amount is $201,000 more than the 1989 level, the same as the budget request, and $45,000 more than the House level.

SOIL CONSERVATION SERVICE

The Soil Conservation Service [SCS] was established by Public Law 74-46 on April 27, 1935, (16 U.S.C. 590a-590f) to carry out a continuing program of soil and water conservation on the private lands of the Nation. The current mission of the agency is to provide national leadership in the conservation and wise use of soil, water, and related resources through a balanced cooperative program that protects, restores, and improves those resources.

The conservation activities of the Soil Conservation Service are guided by the priorities and objectives as set forth in the National Conservation Program [NCP] which was prepared in response to the provisions of the Soil and Water Resources Conservation Act of 1977 [RCA] (Public Law 95-192) and transmitted to the Congress in December 1982. The long-term objectives of the program are designed to maintain and improve the soil, water, and related resources of the Nation's nonpublic lands by: reducing excessive soil erosion; improving irrigation efficiencies; improving water management; reducing upstream flood damages; improving range condition; and improving water quality.

The program establishes national priorities to guide USDA conservation activities over the next 5 years. The first priority is to reduce excessive soil erosion on agricultural lands. The second priority is twofold: to conserve water used in agriculture, and to reduce flood damages in upstream areas.

CONSERVATION OPERATIONS

Appropriations, 1989	[1] $403,262,000
Budget estimate, 1990	474,750,000
House allowance	481,000,000
Committee recommendation	481,000,000

[1] Does not include $61,461,000 transferred from the Conservation Reserve Program, Agricultural Stabilization and Conservation Service.

Conservation operations is authorized by Public Law 74-46, (16 U.S.C. 590a-590f). Activities include:

Conservation technical assistance.—Provides assistance to district cooperators and other land users in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Inventory and monitoring provides soil, water, and related resource data for land conservation, use, and development; guidance of community development; identification of prime agricultural producing areas that should be protected; use in protecting the quality of the environment; and to issue periodic inventory reports of resource conditions.

Resource appraisal and program development ensures that programs administered by the Secretary of Agriculture for the conservation of soil, water, and related resources shall respond to the Nation's long-term needs. This activity is authorized by the Soil and Water Resources Conservation Act, Public Law 95-192, November 18, 1977 (16 U.S.C. 2001), as amended by the Food Security Act of 1985, Public Law 99-198.

Soil surveys.—Inventories the Nation's basic soil resources and determines land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State and local organizations.

Snow survey and water forecasting.—Provides estimates of annual water availability from high mountain snow packs and relates this to summer stream flow in the Western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

*Plant materials centers.*Assembles, tests, and encourages increased use of plant species which show promise for use in the treatment of conservation problem areas.

COMMITTEE RECOMMENDATIONS

For conservation operations, the Committee recommends an appropriation of $481,000,000. This amount is $77,738,000 more than the 1989 level, $6,250,000 more than the budget estimate, and the same as the House level. The Committee has amended House language to provide that not less than $355,000,000 is for personnel compensation and benefits.

Included in this amount is $2,113,000, the same as the House level, and $520,000 more than the 1989 amount, for the Chesapeake Bay cleanup program. This amount will support no fewer than 47 staff positions for this project.

The Committee recommends $550,000 for continuation of the North Dakota centennial windbreak project as proposed by the North Dakota Extension Service. The Department is directed to work with North Dakota State University, the North Dakota Forest Service, and the Extension Service to carry out this project and to promote the centennial tree project goal of planting 100 million trees in the State. The increase will allow greater involvement of the four native American communities in North Dakota.

SCS is directed to continue its active role in the vital Rural Abandoned Mines Program [RAMP].

The appropriation includes $176,000, the same as in 1989, for continuation of the joint effort by Alcorn State University in Mississippi and SCS to study alternative conservation practices on small farms where traditional measures are not practicable.

The Committee concurs with the House in providing an increase of $2,191,000 for the plant materials centers. Within this amount, the Committee expects increases to be provided to the centers in Booneville, AR; Golden Meadows, LA; East Texas and South Texas.

A total of $150,000, $50,000 more than the 1989 amount, is included to continue the work on the problem of sedimentation in Red Rock Reservoir in Iowa.

The Committee recommends no less than $500,000 for continuation on the Plum Bayou project in Arkansas. For several years, SCS has been working with area farmers in central Arkansas on developing a plan to tap the water resources available in the Arkansas River. The Committee expects increased emphasis on this project.

As in the past, the Committee directs SCS to continue to provide $150,000 in technical assistance to soil conservation districts in Idaho for measures under the agricultural abatement plan which was completed in 1979 in response to Public Law 92–500, the Clean Water Act.

For expanding and continuing work in conjunction with the Louisiana State University Rice Research Station in Crowley, LA, the Committee recommends $150,000. The benefits of this work are of regional and national significance.

The Committee is aware of the restoration of the Lacamas Lake project in Clark County, WA. Lacamas Lake suffers from severe eutrophic conditions as a result of nonpoint source pollution from agriculture operations in the accompanying drainage basin. The Committee expects SCS to provide additional technical assistance to develop best management practice farm plans on the 213 farms affected within the drainage basin.

In addition to the amount normally allocated for the State of Arkansas, the Committee has included $452,000 to continue the 26-county eastern Arkansas water conservation study. The Committee is aware of progress being made in the development of ground water flow models that will provide significant water conservation information. The Committee expects the full amount to be made available to cover the cost incurred by local entities participating in the study.

The Committee does not concur with the House in providing $250,000 for the Michigan subirrigation study.

RIVER BASIN SURVEYS AND INVESTIGATIONS

Appropriations, 1989	$12,051,000
Budget estimate, 1990	9,600,000
House allowance	12,533,000
Committee recommendation	12,051,000

This program is authorized by the Watershed and Flood Prevention Act, Public Law 83–566, section 6, August 4, 1954 (16 U.S.C. 1006–1009).

The Soil Conservation Service administers a program which involves cooperation with other Federal, State, and local agencies in making surveys and investigations of watersheds of rivers and other waterways as a basis for the development of coordinated water resource programs.

COMMITTEE RECOMMENDATIONS

For River basin surveys and investigations, the Committee recommends an appropriation of $12,051,000. This amount is the same as the 1989 appropriation, $2,451,000 more than the budget request, and $482,000 less than the House level.

WATERSHED PLANNING

Appropriations, 1989	$8,651,000
Budget estimate, 1990	7,830,000
House allowance	8,997,000
Committee recommendation	8,651,000

The Department cooperates with the States and other agencies in planning works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water, as authorized by the Watershed and Flood Prevention Act, as amended, Public Law 83–566, August 4, 1954 (16 U.S.C. 1001–1008).

The Department makes surveys of proposed small watershed projects, and prepares work plans in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, the cost sharing and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development.

COMMITTEE RECOMMENDATIONS

For watershed planning, the Committee recommends an appropriation of $8,651,000. This amount is the same as the 1989 appropriation, $821,000 more than the budget estimate, and $346,000 less than the House level.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 1989	$172,373,000
Budget estimate, 1990	96,100,000
House allowance	182,373,000
Committee recommendation	182,373,000

The appropriation "Watershed and flood prevention operations" funds those activities authorized by the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1005, 1007–1009) and the Flood Control Act, as amended and supplemented (33 U.S.C. 701, 16 U.S.C. 1006a) and sections 403–405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203–2205), which relate to installation of individual watershed projects, flood prevention subwatershed projects, and emergency watershed protection.

The Soil Conservation Service has general responsibility for administration of activities which include cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement to reduce erosion, floodwater, and sediment damage; conserve, develop, utilize, and dispose of water; plan and install works of improvement for flood prevention including the development of recreational facilities and the improvement of fish and wildlife habitat; and loans to local organizations to help finance the local share of the cost of carrying out planned watershed and flood prevention works of improvement as authorized by Public Law 566, Public Law 534, and section 216 of the Flood Control Act of 1950. The Farmers Home Administration administers the loan program.

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations, the Committee recommends an appropriation of $182,373,000. This amount is $10,000,000 more than the 1989 appropriation, $86,273,000 over the budget estimate, and the same as the House level.

The Committee provides the following levels within this appropriation: $26,271,000, the same as the amount available for fiscal year 1989 and an increase of $11,916,000 above the budget request, for the operations authorized by Public Law 534; $20,000,000, an increase of $10,000,000 above the amount available for fiscal year 1989 and an increase of $12,623,000 above the budget request, for the temporary emergency watershed protection program; and $136,102,000, the same as the amount available for fiscal year 1989 and $61,734,000 above the budget request, for small watersheds authorized by Public Law 566.

The recommendation includes $7,500,000 for Wheeling Creek, $2,000,000 for Patterson Creek, $1,700,000 for Upper Buffalo Creek, and $4,000,000 for Lost River all in West Virginia.

The amount of $10,000,000 is included for emergency watershed protection operation activities to repair damages due to storms in 1988 and 1989 in the countries of Yazoo, Hinds, Coahoma, Tate, Lee, Newton, Lowdes, and Prentiss in Mississippi. Also included is $5,000,000 for emergency watershed protection measures as a result of devastating floods and fires in 1989 in Michigan, Louisiana,

Oklahoma, Maryland, New York, West Virginia, Nebraska, Alabama, Colorado, Kentucky, Delaware, and Utah.

RESOURCE CONSERVATION AND DEVELOPMENT

Appropriations, 1989	$25,120,000
Budget estimate, 1990	24,487,000
House allowance	27,620,000
Committee recommendation	27,620,000

The Resource Conservation and Development [RC&D] Program began in February 1964 under authority of section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703) and other departmental authorities. In December 1981, sections 3451-3461 of the Agriculture and Food Act of 1981 authorized a program for aiding local and State efforts in resource conservation and development. Program assistance is provided to RC&D sponsors as authorized by the Secretary of Agriculture. RC&D sponsors, State and local units of government, and nonprofit organizations initiate and direct the planning process, develop and maintain an RC&D area plan, and carry out activities to implement the plan.

USDA provides technical, financial, and loan assistance to local sponsors. An RC&D Policy Board was established in April 1984 under subtitle H of the Agriculture and Food Act of 1981 (Public Law 97-98). The Board provides advice and recommends policy on program administration to the Secretary of Agriculture. The interagency board has members from the Soil Conservation Service, Forest Service, Farmers Home Administration, Extension Service, Agricultural Stabilization and Conservation Service, and the Office of the Secretary. Program leadership is provided by the Soil Conservation Service [SCS]. Sponsors also seek the help of local, State, and other Federal agencies that can assist them in areawide planning and in carrying out activities to implement plans.

COMMITTEE RECOMMENDATIONS

For the Resource Conservation and Development Program, the Committee recommends an appropriation of $27,620,000. This amount is $2,500,000 more than the 1989 level, $3,133,000 more than the budget estimate, and the same as the House level.

In this appropriation, the Committee has included $400,000, the same as in 1989, to support the Omega project in Iowa. These funds will be used by the Chariton Valley Resource Conservation and Development District to implement a plan to change production patterns away from row crop agriculture.

The Committee is aware of interest in the establishment of an RC&D area in the northern panhandle of West Virginia, and expects the Department to give consideration to its designation.

GREAT PLAINS CONSERVATION PROGRAM

Appropriations, 1989	$20,474,000
Budget estimate, 1990	18,623,000
House allowance	20,474,000
Committee recommendation	21,293,000

The Great Plains Conservation Program is authorized by Public Law 84–1021, as amended, (16 U.S.C. 590p(b)). The program's objective is to bring about a long-term solution to problems resulting from drought and the cultivation of land unsuited for sustained crop production in the 10 Great Plains States.

It is designed to provide needed protection and improvement of soil, water, plant, and wildlife resources of the unique Plains area, which is plagued with recurring drought and wind erosion problems. Selection of suitable land uses and installation of complete conservation treatment and management systems on farms and ranches in the area are made through reduction of wind and water erosion, abatement of agriculture-related pollution and water conservation measures.

COMMITTEE RECOMMENDATIONS

For the Great Plains Conservation Program, the Committee recommends an appropriation of $21,293,000. This amount is $819,000 more than the 1989 and House levels and $2,670,000 more than the budget estimate.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

Appropriations, 1989	$176,935,000
Budget estimate, 1990	8,000,000
House allowance	184,935,000
Committee recommendation	184,935,000

The Agricultural Conservation Program [ACP] is authorized by sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (Public Law 74–46), sections 1001–1004, 1006–1008, and 1010 of the Agricultural Act of 1970 (Public Law 91–524), as added by the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86), section 1501 of the Food and Agriculture Act of 1977 (Public Law 95–113), and section 259 of the Energy Security Act of 1980 (Public Law 96–294).

The ACP is administered by ASCS through the farmer-elected committee system. The program is a joint effort by Government and landowners to restore and protect basic land and water resources. Objectives include helping to ensure a continuous, adequate supply of food and fiber; improving water quality in rural America; facilitating resource management systems; and achieving national priorities reflected in the National Environmental Policy Act of 1969 and related legislation.

COMMITTEE RECOMMENDATIONS

For the Agricultural Conservation Program, the Committee recommends an appropriation of $184,935,000. This amount is

$8,000,000 more than the 1989 level, $176,935,000 more than the budget request, and the same as the House level.

FORESTRY INCENTIVES PROGRAM

Appropriations, 1989	$12,446,000
Budget estimate, 1990	
House allowance	12,446,000
Committee recommendation	12,446,000

The Forestry Incentives Program [FIP] is authorized by section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103). Its objectives are to increase the Nation's production of sawtimber and pulpwood on nonindustrial private forest lands, to decrease, over time, expected shortages and rising prices of timber, and to help ensure effective use of available forest lands. Program objectives are met by providing cost share and technical assistance to landowners to encourage voluntary installation of forestry practices. The program shares up to 65 percent of the cost incurred by the landowner for tree planting and timber stand improvement.

COMMITTEE RECOMMENDATIONS

For the Forestry Incentives Program for fiscal year 1990, the Committee recommends an appropriation of $12,446,000. This amount is the same as the 1989 appropriation and the House level. No appropriation was requested in the budget.

WATER BANK PROGRAM

Appropriations, 1989	$9,000,000
Budget estimate, 1990	12,371,000
House allowance	12,371,000
Committee recommendation	12,371,000

The Water Bank Program is authorized by the Water Bank Act, Public Law 91-559, approved December 19, 1970, and amended by Public Law 96-182, approved January 2, 1980. Its objectives are to conserve surface water; preserve and improve migratory waterfowl and wildlife-related resources; reduce runoff, soil, and wind erosion; improve flood control; contribute to improved soil moisture; reduce the acreage of land brought into agricultural production; retire land now in production; enhance landscape aesthetics; and promote comprehensive water management planning.

The Secretary enters into agreements with landowners and operators for the conservation of specified wetlands. The agreements are for 10 years with provision for renewal for additional periods. During the period of the agreement, the landowner agrees not to drain, burn, fill or otherwise destroy the wetland character of such areas. The Secretary makes annual payments to the owner or operator at a rate determined at the time of agreement and subject to review after 4 years and at the time of renewal.

COMMITTEE RECOMMENDATIONS

For the Water Bank Program, the Committee recommends an appropriation of $12,371,000. This amount is $3,371,000 more than

the 1989 appropriation and the same as the budget estimate and the House level.

EMERGENCY CONSERVATION PROGRAM

Appropriations, 1989	$5,000,000
Budget estimate, 1990	
House allowance	10,000,000
Committee recommendation	10,000,000

The appropriation "Emergency Conservation Program" of the Agricultural Stabilization and Conservation Service funds the activities authorized by the Agricultural Credit Act of 1978 (Public Law 95–334). Under the program the Government shares the cost of carrying out approved practices to assist and encourage farmers to rehabilitate farmland damaged by natural disasters.

Assistance is made available to correct new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

COMMITTEE RECOMMENDATIONS

For the Emergency Conservation Program [ECP], the Committee recommends $10,000,000. This amount is $5,000,000 more than the 1989 appropriation, $10,000,000 more than the budget estimate, and the same as the House level.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Appropriations, 1989	$5,452,000
Budget estimate, 1990	10,420,000
House allowance	10,420,000
Committee recommendation	10,420,000

The Colorado River Basin Salinity Control Program was established by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (Public Law 93–320). The program is a cooperative endeavor by the Agricultural Stabilization and Conservation Service [ASCS], Soil Conservation Service [SCS], and Extension Service [ES]. The program is to assist landowners and others in the Colorado River Basin in establishing on-farm irrigation management systems and related lateral improvement measures to decrease the salt load and sedimentation level in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico.

COMMITTEE RECOMMENDATION

For the Colorado River Basin Salinity Control Program, the Committee recommends $10,420,000. This amount is $4,968,000 more than the 1989 level and the same as the budget request and the House level.

CONSERVATION RESERVE PROGRAM

Appropriations, 1989	[1] $1,789,000,000
Budget estimate, 1990	1,202,000,000
House allowance	1,010,978,000
Committee recommendation	1,010,978,000

[1] Includes $61,461,000 transferred to the Soil Conservation Service, conservation operations.

The Conservation Reserve Program [CRP] was mandated by sections 1231–1245 of the Food Security Act of 1985 (Public Law 99–198) to establish permanent cover on highly erodible cropland. The primary objectives of the CRP are to help farmers control critical soil erosion that occurs on about one-third of America's cropland and to decrease production of surplus agricultural commodities.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands on highly erodible land used to produce an agricultural commodity in the years 1981–85. Up to 45 million acres of highly erodible land may be entered into the reserve.

The program is administered by State and local ASC committees working under the general direction of ASCS. Technical assistance is provided by the Soil Conservation Service, the Forest Service, the Cooperative Extension Service, and other appropriate agencies.

In exchange for entering land into the reserve, program participants receive annual rental payments in cash or commodities, based on their accepted bids per acre and the number of acres placed under 10-year contracts. In addition, farmers receive one-time payments of 50 percent of the eligible costs of establishing vegetative cover on the reserve acreage.

To facilitate CRP program implementation, use of the funds, services, and facilities of the Commodity Credit Corporation [CCC] was authorized for fiscal years 1986–87. In subsequent years, CCC funds may not be used for this purpose unless CCC has received in advance funds to cover such expenditures from appropriations made to carry out the program. Beginning in fiscal year 1988, funds for this program are requested to be appropriated in advance to CCC for rental, cost-sharing, and technical assistance payments. The Food Security Act of 1985 provides authority to enter into CRP contracts through fiscal year 1990. Appropriations will be requested annually to make rental payments through fiscal year 2000.

COMMITTEE RECOMMENDATIONS

For the Conservation Reserve Program [CRP], the Committee recommends $1,010,978,000, $191,022,000 less than the budget request, the same as the House level, and $778,022,000 less than the 1989 appropriation. The Committee notes that enrollment in the CRP is less than originally estimated. Thus, the reduction in the appropriation reflects more current and realistic assumptions. The Committee continues to support strongly the CRP and urges the Department to encourage further enrollment in the program.

TITLE III—DOMESTIC FOOD PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

Appropriations, 1989	$406,000
Budget estimate, 1990	[1] 412,000
House allowance	412,000
Committee recommendation	412,000

[1] The 1990 budget proposed that this activity be funded in a single account in Office of the Secretary.

The Office of the Assistant Secretary for Food and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's food and consumer activities. The Office has oversight and management responsibilities for the Food and Nutrition Service, and Human Nutrition Information Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Food and Consumer Services, the Committee recommends an appropriation of $412,000, $6,000 more than the 1989 amount, and the same as the budget estimate and the House level.

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953.

The Food and Nutrition Service administers food assistance programs which provide access to a more nutritious diet for persons with low incomes and encourage better eating patterns among the Nation's children. The programs are:

Food Stamp Program.—Food stamps are issued to eligible low-income households to enable them to obtain a better diet by increasing their food purchasing power. The Food and Nutrition Service administers the program in cooperation with State welfare agencies and provides for the full cost of the food stamps themselves in addition to sharing direct and indirect administrative costs incurred by the States on a 50–50 basis. If, however, States reduce their error rates below the 5-percent level, they are eligible to receive enhanced administrative funding up to 60 percent. In addition, States receive 75 percent of their costs incurred for developing food stamp computer systems and 75 percent of their costs for fraud investigations and prosecutions. Funds for this program are provided by direct appropriation.

Child nutrition programs.—The child nutrition programs—the national school lunch, school breakfast, summer food service, and child care food programs—provide funding for the service of nutritious meals to needy children and other children attending schools, child care institutions, and summer recreational programs as a means of safeguarding the health and proper physical development of the Nation's children. The Older Americans Act Amendments of 1987, Public Law 100-175, made adult day care centers eligible for reimbursement through the child care food program for meals served to persons over 60 years of age or to chronically impaired disabled persons. The Food and Nutrition Service works through State agencies, providing them with cash and commodities for use in preparing and serving meals, and administers the various child nutrition programs directly in cases where the State has chosen not to administer the programs. Funds for these programs are provided by direct appropriation and transfer from section 32.

Special Milk Program.—The Special Milk Program provides funding for milk service in schools, nonprofit child care centers, and camps which have no other federally assisted food programs. Since the enactment of the Child Nutrition Amendments of 1986, this provision does not apply to split-session kindergartens where children do not have access to the federally assisted food programs. This milk is provided to children either free or at a low cost. The Food and Nutrition Service provides cash subsidies to State-administered programs and directly administers the program in States which have chosen not to administer the program. Funds for this program are provided by direct appropriation.

Special supplemental food programs.—The Food and Nutrition Service administers two programs—the Special Supplemental Food Program for women, infants, and children [WIC] and the Commodity Supplemental Food Program [CSFP]—which provide supplemental foods to pregnant, postpartum, and breast-feeding women; infants; and young children. CSFP also provides supplemental commodities to low-income elderly persons.

In the WIC program, pregnant, postpartum, and breast-feeding women, and infants and children up to 5 years of age who are found to be at nutritional risk, receive supplemental foods from their local health clinics. State departments of health receive cash grants from the Food and Nutrition Service for this activity. Twenty percent of the total program funding is provided to the States for State and local administrative costs. Funds for this program are provided by direct appropriation.

The Commodity Supplemental Food Program provides supplemental food to a target population similar to that of the WIC program and to the elderly at various locations. The foods, however, are purchased directly by the Department of Agriculture and distributed to eligible women, infants, and children up to 6 years of age through State and local agencies. The Food and Nutrition Service provides cash assistance to distributing agencies to offset their operating expenses at a rate of 15 percent of appropriated funding plus 15 percent of the value of commodities donated as part of the food package. Congress gave USDA authority to operate elderly feeding projects. Using CSFP local agency sites and various commodities provided through CSFP, these projects focus on volunteer

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delivery of food packages to homebound elderly persons. Funds for these programs are provided by direct appropriation.

Cash and commodities for selected groups.—The Food and Nutrition Service administers the Needy Family Program which provides nutritious agricultural commodities to eligible low-income households on or near Indian reservations and in the Trust Territory of the Pacific Islands. The program also helps to expand markets for food produced by American farmers. Monthly packages of USDA donated commodites are distributed to beneficiary households from local warehouse facilities. Participating agencies can order food items according to households' preferences. Participants receive information about nutrition, proper food storage, sanitary food preparation methods, and suggestions for using donated foods from nutritionists, county extension home economists, and other sources. Funds for this program are provided by direct appropriation.

The nutrition program for the elderly provides nutritious meals for elderly people. State agencies on aging designate area agencies on aging to plan and coordinate the nutrition program through local outlets. The State agencies on aging request USDA-donated foods, cash in lieu of food, or a combination of both to provide meals to the elderly at various sites. The amount of food or cash that USDA gives each State is based on the number of meals served in the program and the level of available funds. Funds for this program are provided by direct appropriation.

The commodity purchases for soup kitchens programs provides nutritious meals to needy homeless persons. State agencies are responsible for requesting USDA commodities only in quantities that can be efficiently used by public and charitable institutions which maintain an established feeding operation for the homeless. Storage and distribution of these commodities to local organizations are also the responsibility of the States. Funds for this program are provided by direct appropriations.

Nutrition assistance for Puerto Rico.—As a result of the Omnibus Reconciliation Act of 1981, the Food and Nutrition Service now provides the Commonwealth of Puerto Rico with a nutrition assistance block grant, which gives the Commonwealth broader flexibility to establish a food assistance program specifically tailored to the needs of its low-income households. Beginning July 1, 1982, the Commonwealth has been providing food assistance to low-income households in the form of cash grants, rather than coupons. The Omnibus Budget Reconciliation Act of 1982 prohibited the use of cash for nutrition assistance in the Commonwealth after fiscal year 1983. Public Law 98-204, approved December 2, 1983, postponed the effective date of the noncash provision until October 1, 1985. The noncash provision was then deleted by the Food Security Act of 1985 (Public Law 99-198).

Temporary Emergency Food Assistance Program [TEFAP].—The Temporary Emergency Food Assistance Program provides funding for the intrastate storage and distribution of USDA commodities. The funds are made available to State and local distributing organizations through grants administered by the Food and Nutrition Service. In addition, the Hunger Prevention Act of 1988 made

$120,000,000 available in fiscal year 1989 to purchase and process additional commodities for household distribution.

Under this program, assistance may be provided through the distribution of commodities and cash subsidies to charitable institutions, food banks, hunger centers, soup kitchens, and similar nonprofit eligible recipient agencies providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

The allocation of commodities and administrative funds to the States is based upon a formula which considers the States' unemployment level and the number of persons with incomes below the poverty level.

Food Program administration.—This account provides for the salaries and operating expenses of the Food and Nutrition Service. Headquarters of the Service is at Park Office Center in Alexandria, VA. The Food and Nutrition Service maintains the following seven regional offices: Burlington, MA; Robbinsville, NJ; Atlanta, GA; Chicago, IL; Dallas, TX; Denver, CO; and San Francisco, CA.

CHILD NUTRITION PROGRAMS

	Appropriation	Transfer from sec. 32	Total
Appropriations, 1989	$497,544,000	$4,093,272,000	$4,590,816,000
Budget estimate, 1990	693,426,000	4,156,554,000	4,849,980,000
House allowance	713,250,000	4,156,554,000	4,869,804,000
Committee recommendation	715,490,000	4,156,554,000	4,872,044,000

The child nutrition programs, authorized by the National School Lunch Act and the Child Nutrition Act of 1966, subsidize meals served to children. The programs reach children not only through schools but also through a variety of other institutions. The Supplemental Appropriations Act of 1987, Public Law 100–71, eliminated the tuition cap on any nonprofit private schools allowing all such schools to participate in the National School Lunch Act and the Child Nutrition Act. A general description of the programs follows:

1. Cash payments to States.—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are made available under letters of credit to State agencies for use in reimbursing participating schools and other institutions. Sponsors make application to the State agencies, and if approved, are reimbursed on a per-meal basis in accordance with the terms of their agreements and rates prescribed by law. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for Food Away From Home.

(a) School Lunch Program.—Assistance is provided to the States for the service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant. In fiscal year 1989, the School Lunch Program will provide assistance for serving an estimated 4,108,000,000 school lunches including 2,159,000,000 for children from upper-income families and 1,949,000,000 for children from lower and low-

income families. Schools which, in the second previous fiscal year, served at least 60 percent of their lunches at free or reduced prices receive an additional 2 cents per meal assistance. An estimated 24,700,000 children are expected to participate in the program daily during the school year.

(b) Special assistance for free and reduced price lunches.—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children. In fiscal year 1989 under current law, the program will provide assistance for about 1,949,000,000 lunches, of which 1,682,000,000 will be served free of charge and 267,000,000 at reduced price. Approximately 11,600,000 needy children will participate in the program on an average school day during the year.

(c) School Breakfast Program.—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or at the general rate for those served to nonneedy children. Certain schools, designated in severe need, because, in the second preceding year, they served at least 40 percent of their lunches at free or reduced prices and because the regular breakfast reimbursement is insufficient to cover costs, receive higher rates of reimbursement in both the free and reduced price categories. In fiscal year 1989, the program will serve an estimated 649,000,000 breakfasts to a daily average of 3,700,000 children.

(d) State administrative expenses.—The funds may be used for State employee salaries, benefits, support services, and office equipment. Public Law 95–627 made the State administrative expenses grant equal to 1½ percent of certain Federal payments in the second previous year. In fiscal year 1989, $58,411,000 will be allocated among the States to fund ongoing State administrative expenses and to improve the management of the various nutrition programs. The Child Nutrition Amendments of 1986 authorize the use of up to three pilot projects to evaluate the benefits of contracting out for the administration of the child nutrition programs in States where the Food and Nutrition Service currently administers these programs.

(e) Summer Food Service Program.—Meals served free to children in low-income neighborhoods during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Funds are also provided for related State and local administrative expenses. During the summer of 1989, approximately 86,000,000 meals will be served.

(f) Child Care Food Program.—Preschool children receive year-round food assistance in nonprofit child care centers and family and group day care homes under this program. Public Law 97–35 permits profitmaking child care centers receiving compensation under title XX of the Social Security Act to participate in the program if 25 percent of the children served are title XX participants. The Child Care Food Program reimburses State agencies at varying rates for breakfasts, lunches, suppers, and meal supplements and for program-related State audit expenses. In fiscal year 1989, approximately 848,000,000 meals will be served.

2. Commodity procurement.—Commodities are purchased for distribution to the School Lunch, Child Care Food, and Summer Food Service Programs. The minimum commodity support rate for all school lunch and child care center lunches and suppers served is mandated by law and adjusted annually on July 1 to reflect changes in the producer price index for food used in schools and institutions. The commodities purchased with these funds are supplemented by commodities purchased with section 32 funds.

3. Nutrition studies and education.—

(a) Nutrition studies and surveys.—In fiscal year 1989, the funds appropriated for this purpose will be used for several studies. Included among these are a survey to collect accurate and timely data on how child nutrition programs operate at State and local levels; a study of income verification procedures in the School Lunch Program; and the child nutrition analysis and modeling study.

(b) Nutrition education and training.—Public Law 95–166 instituted a program of grants to the States for nutrition education in schools. In fiscal year 1989, $5,000,000 will be made available to the States for nutrition education and training.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs, the Committee recommends an appropriation of $715,490,000, plus transfers from section 32 of $4,156,554,000 for a total program of $4,872,044,000. This amount is $281,228,000 more than the fiscal year 1989 program level, $22,064,000 more than the budget request, and $2,240,000 more than the House level.

The Committee's recommendation provides for the child nutrition programs at the following annual rates:

Total obligational authority

Child nutrition programs:	*Amount*
School Lunch Program	$3,114,974,000
School Breakfast Program	560,926,000
State administrative expenses	60,651,000
Summer Food Service Program	160,583,000
Child Care Food Program	755,388,000
Commodity procurement	207,837,000
Nutrition studies and surveys	3,085,000
Income verification of food service claims	3,600,000
Nutrition education and training	5,000,000
Total available	4,872,044,000

The Committee concurs with the House in rejecting elimination of funds for the Nutrition Education and Training Program [NET]. In addition, the Committee provides a total of $60,651,000 for State administrative expenses.

For the Federal review system, the Committee concurs with the House in providing a total of $3,600,000, of which $2,600,000 shall be used to continue audits of State and local food service authorities, and $1,000,000 shall be used for training programs to improve meal counting and management practices. The Committee directs the Food and Nutrition Service [FNS] to work cooperatively with the States in targeting their evaluations to areas where problems

are prevalent, to coordinate audits with annual management evaluations, and to minimize disruption of local food service activities by working toward solutions that are reasonably tailored to the practical circumstances in the schools.

The Committee provides $500,000 for further planning and establishment of the School Food Service Management Institute in Mississippi. The institute will conduct research, provide training and technical assistance, and act as a clearinghouse for research, studies, and findings related to all aspects of the operation of school food service programs.

The Committee expects that FNS will inform the inspector general of its planned audit activities to prevent overlapping investigations.

SPECIAL MILK PROGRAM

Appropriations, 1989	$19,925,000
Budget estimate, 1990	20,449,000
House allowance	20,449,000
Committee recommendation	20,449,000

The Special Milk Program is authorized by section 3 of the Child Nutrition Act of 1966, as amended. It subsidizes institutions for milk consumed by students in nonprofit schools of high school grade or under, summer camps, and similar institutions that do not participate in another meal service program authorized by the Child Nutrition Act or the National School Lunch Act. Effective October 1, 1986, based on authority in Public Law 99–661, children in split session kindergarten programs in nonprofit schools who do not have access to the meal service programs operating in those schools may participate in the Special Milk Program.

In fiscal year 1989 approximately 210,500,000 half-pints will be served in the Special Milk Program. These include about 198,593,000 half-pints served to children whose family income is above 130 percent of poverty and about 11,907,000 half-pints served free to children whose family income is at or below 130 percent of poverty. During fiscal year 1989, the average full cost reimbursement for milk served to needy children is expected to be 14.37 cents for each half-pint. Milk served to nonneedy children is expected to be reimbursed at 9.5 cents for each half-pint.

COMMITTEE RECOMMENDATIONS

For the Special Milk Program, the Committee has recommended $20,449,000 to fund the program fully in those institutions which are eligible. This amount is $524,000 more than the 1989 level and the same as the budget request and the House level. The appropriation combined with carryover funds of over $2,800,000 from 1989, will allow for a total program of approximately $23,249,000 for 1990.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN [WIC] [1]

Appropriations, 1989	$1,929,362,000
Budget estimate, 1990	1,961,362,000
House allowance	2,126,000,000
Committee recommendation	2,126,000,000

[1] The 1990 budget proposed for this activity to be funded in a single account for supplemental feeding programs.

The Special Supplemental Food Program for Women, Infants, and Children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. The program makes funds available to local health clinics through State departments of health and to Indian tribes to provide supplemental foods to low-income pregnant, postpartum, and breast-feeding women, infants and children up to 5 years of age who are determined by competent medical or nutritional professionals to be at nutritional risk. In fiscal year 1989 the program funds are expected to support an average monthly participation of 3,700,000 participants at an average cost of $43.41—per person per month.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental foods are iron-fortified infant formula, infant cereal, milk, cheese, eggs, iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans and peas, and peanut butter.

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

Twenty percent of the total available funds (except for funds appropriated for program evaluation) are allocated among the States for costs of nutrition services and administration associated with the WIC program. These costs include certifying participant eligibility, food delivery, and warehousing, monitoring, nutrition education, outreach, startup cost, and general administration by the State agency. Not less than one-sixth of these administrative funds must be used for nutrition education activities.

Public Law 95–627 makes one-half of 1 percent of program funds, not to exceed $3,000,000, available to the Secretary for evaluation of program performance.

COMMITTEE RECOMMENDATIONS

For the Special Supplemental Food Program for Women, Infants, and Children [WIC], the Committee recommends an appropriation of $2,126,000,000. This amount is $196,638,000 more than the 1989 appropriation, $164,638,000 more than the budget estimate, and the same as the House level.

For the past 10 years, the WIC program has received consistent support from the Congress, reflected in steady and signficant increases in appropriations from $569,500,000 in 1979 to $2,126,000,000 in 1990. As a result, average monthly participation

in January 1989 was 3,900,000—higher than earlier projections. In addition to increased appropriations, infant formula and food-cost containment measures mandated by Congress have added 460,000 monthly participants to the WIC program in 1989, with a monthly cumulative total of 700,000 new participants expected in 1990.

As of 1986, 62 percent of all eligibles below 100 percent of poverty were served by the WIC program, including all eligible pregnant mothers and infants, as well as 46 percent of children ages 1 through 5. The Committee notes the substantial expansion of WIC program participation in meeting the supplemental food requirements of more low-income women, infants, and children than at any time in our Nation's history.

The Committee concurs with the House recommendation to continue the farmers' market demonstration projects begun in 1989. In accord with the Hunger Prevention Act, the Committee recommends that $2,800,000 be provided for the farmers' market demonstration projects in 1990, with Federal funds supplemented by individual States and private organizations.

In complying with the Anti-Drug Abuse Act of 1988, FNS planned various drug abuse prevention activities, including a study of appropriate methods for drug abuse education, development of a resource guide for WIC professionals, and distribution of information and referral services to adult WIC participants. The Committee is aware that substantial Federal funds are provided to State health agencies through the Alcohol, Drug Abuse, and Mental Health Administration [ADAMHA] targeted to pregnant women and their children for alcohol and drug prevention and intervention strategies. FNS is directed to coordinate with ADAMHA and State health agencies to assure that these strategies are available to meet the needs of the WIC population.

The Committee is concerned that outreach efforts by State agencies be performed cost effectively, practically, and that they be directed to the broadest possible audience. The Committee expects FNS to offer guidance to State agencies on how to achieve maximum results from outreach activities.

In order to evaluate the nutritional value of the WIC food package, the Committee directs FNS to initiate, within 90 days of enactment, a study of forms of high quality protein and iron that should be added to the food package.

The Committee concurs with the House recommendation that FNS take steps to prevent overcharges by retail establishments in the WIC program as disclosed by the inspector general in 1988. The Committee directs that FNS establish a Compliance Division for Special Nutrition Programs.

COMMODITY SUPPLEMENTAL FOOD PROGRAM [CSFP] [1]

Appropriations, 1989	$50,000,000
Budget estimate, 1990	62,028,000
House allowance	65,028,000
Committee recommendation	65,028,000

[1] The 1990 budget proposed for this activity to be funded in a single account for supplemental feeding programs.

The Commodity Supplemental Food Program [CSFP] is authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973, as amended in 1981 by Public Law 97–98. This program provides supplemental foods to infants and children up to age 6 and to pregnant, postpartum, and breast-feeding women and to senior citizens who have low incomes and are residing in approved project areas.

In fiscal year 1989 approximately 179,126 women, infants, and young children and 83,108 elderly are authorized to receive food packages each month. The foods are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities are iron-fortified infant formula, rice cereal, canned juice, evaported milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter or dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

States are given 15 percent of the Federal funds appropriated and, according to the Food Security Act of 1985 (Public Law 99–198), enacted December 23, 1985, 15 percent of the value of donated commodities to cover administrative costs. Allowable administrative costs include nutrition education, warehousing, food delivery, participant certification, and other costs associated with State and local administration of the program.

The Food Stamp and Commodity Distribution Amendments of 1981 (Public Law 97–98) authorized the institution of two pilot commodity distribution projects directed at low-income elderly persons. Detroit, MI, and Des Moines, IA, were selected as pilot sites. A third project, authorized by the 1983 Agriculture Appropriations Act (Public Law 97–370) was established in New Orleans, LA, in December 1982. The Food Security Act of 1985 (Public Law 99–198) authorized all CSFP sites to serve the elderly.

COMMITTEE RECOMMENDATIONS

For the Commodity Supplemental Food Program [CSFP], the Committee recommends an appropriation of $65,028,000, $15,028,000 more than the 1989 level, $3,000,000 more than the budget request, and the same as the House level.

The Committee concurs with the House in rejecting the administration's proposal to fund CSFP in a single account with the WIC program. The Committee acknowledges favorably efforts made to increase caseload for both women, infants, and children, and seniors, and the Committee is in accord with the House in supporting the conversion of unused caseload to seniors in project site areas where mothers, infants, and children are adequately served.

FOOD STAMP PROGRAM

Appropriations, 1989	$13,823,579,000
Budget estimate, 1990	14,088,485,000
House allowance	14,200,235,000
Committee recommendation	15,400,235,000

The Food Stamp Program, which is authorized through September 30, 1990, by the Food Security Act of 1985, helps individuals and families with low incomes to obtain a more nutritious diet. Eligible participants are entitled to food stamp allotments based on their household size and net income after provision has been made for certain deductions. The food stamps increase the food purchasing power of eligible households and thus enable them to attain a better diet than would have been possible without the assistance of the Food Stamp Program.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food stamps whose value is determined by household size and income. The cost of the stamps is paid by the Federal Government and is called benefit cost. As required by law, the food stamp allotments for the various household sizes are periodically revised to reflect changes in the cost of the thrifty food plan. The last revision was made on October 1, 1988.

The State social service agencies are responsible for certifying eligible households and issuing the food stamps. Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to the Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department.

In fiscal year 1989 an average of 18,300,000 persons are expected to participate in the program monthly and receive stamps worth an average of $52.03 each month.

NUTRITION ASSISTANCE FOR PUERTO RICO

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility to establish a food assistance program that is specifically tailored to the needs of its low-income households. However, the Commonwealth must submit its annual plan of operation to the Secretary for approval. The Food Security Act of 1985 (Public Law 99–198), enacted December 23, 1985, reauthorizes appropriations through fiscal year 1990. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the costs of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

ADMINISTRATIVE COSTS

Since October 1, 1984, all direct and indirect administrative costs incurred for certification of nonpublic assistance households, issuance of food stamps, quality control, and fair hearing efforts have

been shared by the Federal Government and the States on a 50–50 basis. States may receive 60 percent Federal funding of administrative costs if their error rates are below 5 percent and a reasonable rate of invalid decisions is attained. Any State agency's Federal administrative funding payment may be reduced if its error rate of overissuances and payments to ineligible households exceeds 5 percent in fiscal year 1985 or any succeeding fiscal year. Federal funding for 75 percent of automation costs incurred by State agencies is authorized by law.

State administration also includes State antifraud activities. Under the provisions of the Food Stamp Act of 1977, States are eligible to be reimbursed for not less than 75 percent of the costs of their food stamp fraud investigations and prosecutions. Of the funds appropriated for State administration, $65,700,000 has been budgeted to cover State antifraud activities in fiscal year 1989.

States are required to implement an employment and training program for the purpose of assisting members of households participating in the Food Stamp Program in gaining skills, training, or experience that will increase their ability to obtain regular employment. In fiscal year 1987, the Department of Agriculture implemented a new grant program to States to assist them in providing employment and training services. The Department will pay the States at least $120,028,000 to operate work programs in fiscal year 1989.

COMMITTEE RECOMMENDATIONS

For the Food Stamp Program, the Committee recommends $15,400,235,000, $1,576,656,000 more than the 1989 level, $1,311,750,000 more than the President's budget request, and $1,200,000,000 more than the House. The Committee concurs with the House in providing for the Puerto Rico Nutrition Assistance Program in a single account with the Food Stamp Program and provides $936,750,000 for the Puerto Rico block grant, an increase of $28,500,000 above the 1989 level, and $111,750,000 above the budget request.

The Committee has provided $12,825,000 for the cattle tick eradication special project in Puerto Rico, $2,000,000 more than is provided by the House under the block grant. The Committee concurs with the House in noting that operation of this program would best be performed by the Animal and Plant Health Inspection Service and recommends cooperation between APHIS and FNS in conducting this project.

On July 10, 1989, the Committee received notice of an amendment to the fiscal year 1990 budget for the Food Stamp Program, requesting "such sums as may be necessary, but not to exceed the amount authorized under section 18(a) of the Food Stamp Act." A revision of the budget is necessary to assure that benefits to eligible individuals and their families are not interrupted due to insufficient funds in the Food Stamp Program; however, the Committee notes that it is the responsibility of the administration to provide an actual appropriation request.

The original 1990 budget proposed funding for the Food Stamp Program with optimistic assumptions. Monthly participation esti-

mates are now expected to exceed the budget assumptions by 500,000, and the 1989 June thrifty food plan adjustment is $15 more per family than originally estimated. State error rate collections assumed in the budget are overstated. And once again, the Committee is forced to estimate the actual appropriation needed to meet the requirements of the Food Stamp Program for the entire fiscal year, without up-to-date data from the administration.

In the future, the Committee directs the Department to submit data on participation, thrifty food plan prices, error rate collections, factors affecting benefit costs, and the need for additional appropriations of an amount specific to the Congress on a regular basis throughout the year.

The Committee concurs with the House in rejecting the $30,000,000 limitation on State entitlement to matching funds for employment and training programs.

CASH AND COMMODITIES FOR SELECTED GROUPS

Appropriations, 1989	$239,147,000
Budget estimate, 1990	246,510,000
House allowance	246,510,000
Committee recommendation	246,510,000

The cash and commodities for selected groups appropriation funds the food distribution program on Indian reservations; the continuation of food assistance to residents of the Federated States of Micronesia, Marshall Islands, and the Republic of Palau; and the nutrition program for the elderly.

Food distribution programs on Indian reservations and in the Pacific Islands.—The Food and Agriculture Act of 1977 authorized the distribution of agricultural commodities to eligible needy persons residing on or near Indian reservations or in the Trust Territories of the Pacific. The act requires that a food distribution program be established on an Indian reservation if an Indian tribal organization [ITO] requests the program. If the ITO is capable of administering the program, it may do so in lieu of administration by a State agency. Public Law 97-98 authorized low-income Indian households residing in Oklahoma and not living on a reservation to participate in the program.

The Compact of Free Association Act of 1985 as amended and the compact approved by the peoples of the Federated States of Micronesia and the Marshall Islands established them as freely associated States. For transition purposes, food assistance will continue in fiscal year 1989 but at reduced levels, except in the nuclear affected zones of Bikini and Enewetak, as prescribed in the act. Food assistance for Palau will continue at normal levels until the residents of Palau approve their compact.

In fiscal year 1989 participation in the food distribution program on Indian reservations is expected to average about 136,754 per month. It is estimated that 520 residents of the former trust territories will receive food assistance in fiscal year 1989.

The foods made available to the distributing agencies include canned meat, fruit, vegetables and juice, flour, rice, evaporated milk, dry milk, and shortening. To the extent that surplus price-support commodities are available and can be used and not wasted,

the Commodity Credit Corporation [CCC] donates them for use in this program. In fiscal year 1989 the cost of the food package distributed on Indian reservations will average about $31.63 per person per month. The cost of the package includes the value of commodities donated by CCC.

Cash payments are made to distributing agencies to assist them in meeting the administrative expenses incurred in operating a food distribution program. Included among these costs are local warehousing and transportation of commodities, utilities, salaries, and equipment.

Nutrition program for the elderly.—Commodity support for the nutrition program for the elderly is authorized by titles III and VI of the Older Americans Act of 1965. The foods provided are used in preparing meals which are served in senior citizen centers and similar settings or delivered to the home-bound elderly. These meals are the focal point of the nutrition projects for the elderly which have the dual objectives of promoting better health and reducing the isolation of old age.

Currently, commodities or cash in lieu of commodities are distributed through State agencies to the local meal sites at a specific rate per meal set by law. Public Law 100–175 set the rate at 56.76 cents per meal through fiscal year 1991. Some States elect to take all of their subsidy in cash and some States choose to receive a combination of cash and commodities. The commodities made available to the nutrition program for the elderly are generally the same as those provided to schools under the child nutrition programs.

Although originally a program to distribute nutritious surplus commodities to senior meal sites, the program evolved into a cash subsidy program. Almost 94 percent of program resources are distributed to meal providers in cash, on a per meal reimbursement basis.

Commodity purchases for soup kitchens.—The Hunger Prevention Act of 1988 authorizes the purchase and distribution of 40,000,000 dollars' worth of commodities to soup kitchens and food banks in fiscal year 1989. Commodities are distributed to the States which, in turn, provide them to public land charitable institutions which provide food to needy homeless persons on a regular basis as an integral part of their activities.

Distribution of commodities and payments for storage are the responsibility of State distribution agencies. States are responsible for requesting commodities only in quantities that can be efficiently used by these institutions, managing the distribution of commodities to local organizations, and ensuring that the organizations comply with all Federal program regulations and requirements. In addition, States are responsible for allocating administrative funds received under the Temporary Emergency Food Assistance Program [TEFAP] to TEFAP emergency feeding organizations, soup kitchens, and food banks.

COMMITTEE RECOMMENDATIONS

For the programs of the cash and commodities for selected groups, the Committee recommends an appropriation of

$246,510,000. This amount is $7,363,000 more than the 1989 appropriation and the same as the budget request and the House level. Of this amount, $60,979,000 is for the food distribution program on Indian reservations, $145,531,000 is for expansion of the elderly feeding program, and $40,000,000 is for the purchase of additional commodities for soup kitchens and food banks.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

Appropriations, 1989	$170,000,000
Budget estimate, 1990	120,000,000
House allowance	170,000,000
Committee recommendation	170,000,000

Title II of Public Law 98–8, enacted March 3, 1983, authorized and appropriated funds for costs of intrastate storage and transportation of CCC commodities donated to families. The Hunger Prevention Act of 1988 authorized $50,000,000 for this purpose in fiscal year 1989 and $120,000,000 for the purchase and distribution of additional commodities high in nutrient content.

Funds are administered by the Food and Nutrition Service through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rates and the number of persons with incomes below the poverty level.

In fiscal year 1988, over 537,900,000 dollars' worth of surplus commodities were distributed to assist needy individuals. Donations will continue in fiscal year 1989. Precise levels will depend upon the availability of surplus commodities and requirements regarding market displacement.

COMMITTEE RECOMMENDATIONS

For the Temporary Emergency Food Assistance Program [TEFAP], the Committee recommends an appropriation of $170,000,000. This amount is the same as the 1989 appropriation and the House level, and $50,000,000 more than the budget request. The Committee concurs with the House in rejecting the budget proposal to terminate Federal cost sharing of storage and intrastate distribution expenses.

In fiscal year 1990, the Committee encourages the Department to maintain at least the same level of peanut butter purchases for the Temporary Emergency Food Assistance Program as in 1989, noting that peanut butter is of high nutritional quality, is convenient to use and store, and is well received by recipient agencies.

FOOD PROGRAM ADMINISTRATION [FPA]

Appropriations, 1989	$89,223,000
Budget estimate, 1990	96,830,000
House allowance	93,026,000
Committee recommendation	93,026,000

Federal expenses associated with administration of the Food and Nutrition Service [FNS] programs are provided in the FPA appropriation. These expenses involve program and policy development, program monitoring, assistance to State agencies which actually

operate the programs and general management support. Costs directly associated with delivery of benefits to participants are generally shared with the States and are funded from the individual program appropriations. Direct Federal operation of programs is provided through the FPA appropriation only in certain cases where a State is prohibited by law from disbursing program funds or where no State agency has assumed administrative responsibility.

The following programs are administered by FNS: Child Nutrition Programs, Special Milk Program, Special Supplemental Feeding Program for Women, Infants, and Children [WIC], Commodity Supplemental Food Program [CSFP], Food Stamp Program, Nutrition Assistance for Puerto Rico, and the Cash and Commodities for Selected Groups.

COMMITTEE RECOMMENDATIONS

For food program administration, the Committee recommends an appropriation of $93,026,000. This amount is $3,803,000 more than the 1989 level, $3,804,000 less than the budget request, and the same as the House level.

The Committee has provided $3,600,000 for continuation of the Federal review system under child nutrition programs. These funds are contingent upon FNS developing a comprehensive coordinated audit program for school food service activities and the establishment of a Compliance Division for Special Nutrition Programs.

Human Nutrition Information Service

Appropriations, 1989	$8,823,000
Budget estimate, 1990	9,468,000
House allowance	9,145,000
Committee recommendation	9,145,000

The Human Nutrition Information Service [HNIS] was established October 1, 1981, by the Secretary's Memorandum No. 1000–1 issued pursuant to Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The functions of this agency were formerly carried out in the Agricultural Research Service. HNIS activities fall into one major category: Research, analysis, and technical assistance which is concerned with the conduct and interpretation of applied research in human nutrition to improve professional and public understanding of the nutritional adequacy of diets and food supplies. It is also concerned with the nutritive value of food and the development of knowledge needed to improve the nutritional quality of diets, thereby improving the general health of the American public.

The agency has primary responsibility for the Department's role in the National Nutrition Monitoring System and in formulating dietary guidelines for healthy Americans. It is the primary national resource for information on the nutritive value of foods.

COMMITTEE RECOMMENDATIONS

For the Human Nutrition Information Service, the Committee recommends $9,145,000, $323,000 less than the budget estimate, $322,000 more than the level provided in 1989, and the same as the House level.

The Committee directs the Human Nutrition Information Service to coordinate with the human nutrition centers of the Agricultural Research Service [ARS] in interpreting research, providing dietary guidance, and disseminating information.

TITLE IV—INTERNATIONAL PROGRAMS

Foreign Agricultural Service

Appropriations, 1989	$95,417,000
Budget estimate, 1990	98,620,000
House allowance	98,987,000
Committee recommendation	106,270,000

The Foreign Agricultural Service [FAS] was established on March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The agency maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is accomplished through a continuous program of reporting by 76 posts located throughout the world covering some 108 countries.

The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at foreign embassies in over 100 countries around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments of agriculture and their affiliates, and U.S. sales teams to develop foreign markets for U.S. farm products. FAS sponsors overseas trade exhibits to promote U.S. agricultural products, provides information about foreign importers, and performs a wide range of market development activities.

The Food Security Act of 1985 (Public Law 99–198) authorized several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Targeted Export Assistance [TEA] Program conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC certificates.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. Nonprofit private trade and producer associations have generated an estimated $894,000,000 in contributions to more than match the $469,000,000 contributed by FAS to finance overseas market promotion activities under the Cooperator Program. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 includes authority to establish up to 25 agricultural trade offices. Currently, 15 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

AGRICULTURAL TRADE MISSIONS

Agricultural trade and development missions were authorized by Public Law 100–202 in December 1987. The program was officially announced by the U.S. Department of Agriculture and a mission coordinator appointed on January 14, 1988.

The program is designed to encourage greater U.S. private sector and foreign country participation in U.S. agricultural trade and development programs. The goal of the program is to develop countries and customers for U.S. agricultural exports by offering specially designed combinations of U.S. trade and food assistance activities to selected countries.

Each mission meets with appropriate foreign and U.S. representatives in each country to offer technical expertise and to assist in planning the extent to which U.S. trade and development programs could be used to meet the food and economic needs of the country. The missions help obtain firm commitments for food aid programs and commodity sales.

The missions are chaired by the Secretary of Agriculture and include representatives from the U.S. Departments of Agriculture and State, the U.S. Agency for International Development, and rep-

resentatives of the private sector, including private voluntary organizations and cooperatives.

COMMITTEE RECOMMENDATIONS

For the Foreign Agricultural Service, the Committee recommends an appropriation of $106,270,000. This amount is $10,853,000 more than the 1989 amount, $7,650,000 more than the budget estimate, and $7,283,000 more than the House level. Of this amount, $200,000, the same as the House level, is for agricultural trade missions.

The Committee concurs with the House in making up to $225,000 of this appropriation available for a cooperative agreement with the Hawaii State Department of Agriculture under the FAS cooperator program for the promotion and marketing of tropical and subtropical products.

The Committee notes that the administration has proposed that FAS provide $3,203,000 to the Department of State for administrative support costs in 1990. The Committee is reluctant to provide these funds without FAS being given adequate control over the calculation and adjustment of State Department service costs, and thereby provides that no increase in the reimbursement will be made without proper budget justification to Congress.

The Committee notes that the United States lags behind the competition as an exporter of consumer-oriented, high-value products. In 1987, the United States accounted for 33 percent of the world's trade in bulk agricultural commodities, but only 7 percent of world trade in consumer-oriented, high-value products. The Committee believes FAS, in conjunction with private industry, should increase high-value product promotion and exports. The Committee directs that the Foreign Agricultural Service analyze ways to accomplish this goal, and provide the Committee with a report on the methods available and the actions that the Service is taking to implement them within 90 days.

PUBLIC LAW 480

Under Public Law 480, as amended, exports of available agricultural commodities are made to developing countries. Factors determining commodity availability are productive capacity, domestic requirements, farm and consumer price levels, anticipated commercial exports, and adequate carryover. No commodity is available for disposition if it would reduce the domestic supply below that which is needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars, unless the Secretary determines that some part of the supply should be used for urgent humanitarian purposes.

No commodities may be made available except upon determination that adequate storage facilities are available in the recipient country at the time of exportation to prevent spoilage or waste and that the distribution will not be a substantial disincentive to the recipient country's domestic production. In carrying out this program, emphasis is placed on assistance to those countries that are determined to help themselves by improving their agricultural production and economic development.

Facilities and funds of the Commodity Credit Corporation are, by law, used in carrying out programs for exporting agricultural commodities. The law also authorizes appropriations to be made to cover the costs of such programs. When funds become available, advances are made to the Corporation for estimated costs. If the amounts appropriated are greater than actual needs, the excess is used to reduce future appropriation requests. Because of these various funding authorities, actual program levels vary from the amounts provided in the appropriations bill.

The following activities are currently being carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended:

TITLES I AND III—CREDIT SALES

	Direct appropriation	Program level
Appropriations, 1989	$468,100,000	$851,900,000
Budget estimate, 1990	265,945,000	817,000,000
House allowance	309,845,000	860,900,000
Committee recommendation	327,000,000	878,055,000

Financing the sale of agricultural commodities for convertible foreign currencies, for dollars on credit terms, or for convertible foreign currency for use under section 108 of the act; and furnishing commodities to carry out the Food for Progress Act of 1985 (titles I and III) (7 U.S.C. 1701-1715, 1727-1727f).—Title I of the legislation authorizes financing of sales for convertible foreign currencies and for dollars on credit terms, including commodities exported under title III food for development programs. Sales for dollars or convertible foreign currencies may be made to foreign governments, or United States and foreign private trade entities. The legislation provides for credit terms that are as favorable to the United States as the economy of the foreign country will permit, but not less than the terms for development loans made under sections 122(a) and 122(b) of the Foreign Assistance Act of 1961, as amended.

Title I sales may also be financed for convertible foreign currencies to be loaned to financial intermediaries in the recipient countries. These funds would be reloaned to promote private enterprise institutions. Loans repaid by the financial intermediaries may be reloaned for private enterprise investment, used to develop new markets, pay U.S. obligations, or be converted to U.S. dollars.

Title I appropriated funds may also be used under the Food for Progress Act to furnish commodities on credit terms or on a grant basis to assist countries that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

COMMITTEE RECOMMENDATION

For Public Law 480, titles I and III, the Committee recommends a program level of $878,055,000. This amount is $26,155,000 more than the 1989 level, $61,055,000 more than the amount requested in the budget, and $17,155,000 more than the House level.

The Committee recommendation for titles I and III includes an appropriated level of $327,000,000. This amount plus carryover balances of $207,055,000 and receipts from repayments on long-term credit and sales of foreign currency of $344,000,000 comprise the total recommended program level of $878,055,000 for titles I and III.

The Committee encourages the continued use of wheat and wheat products through Public Law 480 programs to meet humanitarian objectives and to foster the development of new export markets.

TITLES II—COMMODITIES FOR DISPOSITION ABROAD

	Direct appropriation	Program level
Appropriations, 1989	$630,000,000	$630,000,000
Budget estimate, 1990	665,000,000	665,000,000
House allowance	682,100,000	682,100,000
Committee recommendation	665,000,000	665,000,000

Commodities supplied in connection with dispositions abroad (Title II) (7 U.S.C. 1721-1726).—Commodities are supplied without cost to developing countries to combat malnutrition, and to meet famine and other emergency requirements. The Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. Each year, up to $7,500,000 of foreign currencies accruing under title I may be purchased from this appropriation to meet costs of self-help activities (other than personnel and administrative) of cooperating groups.

COMMITTEE RECOMMENDATION

For title II of Public Law 480, the Committee recommends an appropriation of $665,000,000. This amount is $35,000,000 more than the amount available in 1989, the same as the budget request, and $17,100,000 less than the House level. The Committee concurs with the House inclusion of statutory language limiting transfer authority between title II and titles I and III to 10 percent.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

Appropriations, 1989	$5,319,000
Budget estimate, 1990	4,983,000
House allowance	4,376,000
Committee recommendation	6,725,000

The Office of International Cooperation and Development [OICD] was established by Secretary's Memorandum No. 1947, dated May 1, 1978.

The mission of OICD is to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, OICD applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its

work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

COMMITTEE RECOMMENDATIONS

For the Office of International Cooperation and Development, the Committee recommends an appropriation of $6,725,000. This amount is $1,406,000 more than the 1989 level, $1,742,000 more than the budget estimate, and $2,349,000 more than the House level.

The Committee rejects the House position eliminating funds for the Middle-Income Country Training Program and recommends $167,000 for an international food and agricultural representative at the U.S. mission to the U.N. Agencies for Food and Agriculture. The Committee encourages continuation of progress in the implementation of the financial and administrative systems tracking [FAST] controls.

The Committee provides $250,000 for promoting information exchanges with Ireland as authorized under section 1420 of the Food Security Act of 1985.

SCHOLARSHIPS FOR FOREIGN AGRICULTURALISTS

The Committee recommends $1,492,000 for the Middle Income Country Training Program. This program continues to bring numerous benefits to American agriculture, from direct sales of commodities and services through goodwill and improved relationships with participating nations.

U.S. agricultural attachés note the way the program opens doors for them, not only helping develop trade linkages of benefit to American producers, but also facilitating data gathering and diplomatic negotiations. Commodity trade groups praise the program's support of their efforts. The U.S. Rice Council for Market Development, for example, has written that the program was instrumental in finalizing the first sale ever of U.S. brown rice to Cote D'Ivoire, and they expect that sale to be just the beginning of substantial business.

Land O'Lakes, Inc., notes that exposure to U.S. companies through the program "* * * had led to numerous commercial transactions including the sale of small-scale agriculture and processing machinery, vaccines and livestock medications, and various other products which are used as inputs in the agriculture sector of the recipient country." Mexican program participants bought some 500 Missouri mules during their program, and then later returned to the United States to begin purchasing what they say will hopefully be thousands more. Conservative estimates show well over $1,000,000 already spent on these purchases by the Mexicans.

The Korean Government and United States Embassy have expressed their gratitude to the program for its role in improving technological skills and deepening international understanding. The program had trained the Korean responsible for directing equestrian quarantine activities for both the 1986 Asian Games and the 1988 International Olympics.

These are but a few of the program accolades that have come to the attention of this Committee, but they illustrate the many varied benefits coming to the United States from this program. The Committee strongly endorses these efforts.

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

Appropriations, 1989	$1,000,000
Budget estimate, 1990	
House allowance	750,000
Committee recommendation	1,000,000

As authorized by sections 104(b)(1) and 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support agricultural and forestry research on problems of mutual interest to the United States and participating foreign countries. OICD represents all USDA agencies in this activity. Since the program's inception in 1958, over 2,000 projects valued at approximately $150,000,000 equivalent in foreign currency have been negotiated in 33 countries worldwide. The appropriation for scientific activities overseas is allotted as intergovernmental fund transfers when grants are obligated for cooperative research in foreign countries.

Research projects conducted abroad through grants negotiated with foreign research institutions and organizations are selected based on their relevance to priority U.S. agricultural concerns, such as preventing the incursion of animal diseases and exotic insects and developing plants that are drought tolerant, disease-resistant and more productive. Cooperative research benefits U.S. agriculture by developing markets for U.S. agricultural products and equipment, adding to knowledge of our environment, and cutting the cost of valuable research. It also provides access to unique agricultural ecosystems in order to study insects, weeds, and diseases which have entered the United States and have caused severe losses due to lack of biological control.

COMMITTEE RECOMMENDATION

The Committee recommends $1,000,000 for the purchase of foreign currencies for cooperative overseas research on animal and plant diseases and pests. This amount is the same as the level provided in 1989 and is $250,000 more than the House. The budget recommended elimination of these funds.

FOREIGN CURRENCY RESEARCH

The foreign currency research program continues to play a vital role in keeping American agriculture competitive in today's global economy. Access to international germplasm is essential for our research. The threat of exotic insect and disease problems being introduced to the U.S. agricultural community is ever increasing, and knowledge of these problems and their control may be critical to our agricultural enterprises. Tapping expertise from abroad often brings superior knowledge to our shores. The collaborative nature of the program produces extremely cost-effective research and

often permits the use of facilities, expertise, and technologies or resources not even available in the United States. The unique contributions of this program and its benefits to American agriculture make it irreplaceable.

TITLE V—RELATED AGENCIES

Department of Health and Human Services

Food and Drug Administration

The mission of the Food and Drug Administration [FDA] is to ensure that (1) food is safe, pure, and wholesome; (2) cosmetics are safe; (3) human and animal drugs, biological products, and therapeutic devices are safe and effective; and (4) radiological products and use procedures do not result in unnecessary exposure to radiation.

Under the foods program, FDA sets food standards; evaluates food additives and packaging for potential health hazards; conducts research to reduce food-borne disease, to determine specific health impacts of hazardous substances in food and to develop methods for detecting them in foods; and maintains surveillance over foods through plant inspections, laboratory analyses, and legal action where necessary.

The drugs program includes the premarket review of human drugs and biological products in order to ensure their safety and efficacy, and the postmarketing monitoring of drug experience. FDA conducts manufacturer inspections and sample examinations to ensure industry compliance. Included under this program activity is the similar regulation of animal drugs, devices, and feeds as well as a program to assure the safety of animal-derived human foods.

The devices and radiological products program conducts premarket review and postmarket surveillance of medical devices to determine their safety and efficacy, and sets standards for the manufacture and use of radiological products to protect the public from unnecessary exposure to radiation. FDA monitors experience with medical devices, and conducts inspections of manufacturing plants and tests of radiological products to ensure compliance with regulations and standards.

For these three major product-oriented programs, the agency utilizes a wide variety of scientific skills to deal with the many types of products regulated and the many scientific decisions FDA must make. These skills range from field investigators, all of whom must have education in the physical or biological sciences, to chemists, microbiologists, engineers, medical officers, and scientists from many other disciplines. Similarly, FDA utilizes a variety of laboratory facilities, both to test products for safety and to conduct the research necessary to evaluate health hazards and to develop the means to detect product hazards and prevent them.

In addition, the National Center for Toxicological Research in Jefferson, AR, serves as a specialized resource for FDA's other program elements by advancing the science of toxicology. This facility

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conducts research to improve the base of scientific knowledge on which the agency makes decisions in assessing the risks of potentially toxic substances.

SALARIES AND EXPENSES

Appropriations, 1989	$487,344,000
Budget estimate, 1990	[1] 442,671,000
House allowance	550,171,000
Committee recommendation	581,871,000

[1] The budget proposed that $56,941,000 of this amount be appropriated to the Office of the Assistant Secretary for Health for AIDS research and education.

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends $581,871,000. This amount is $94,527,000 more than the 1989 appropriation, $139,200,000 more than the budget estimate, and $31,700,000 more than the House level.

The budget request assumes $100,000,000 to fund ongoing Food and Drug Administration [FDA] activities through user fee collections on product approvals regulated by law. The Committee rejects user fees as a mechanism for funding the FDA and concurs with the House in restoring $100,000,000 to the 1990 appropriation. The Committee continues to expect FDA budget requests to be based on current law.

The Committee recognizes the need for sufficient staff to carry forward the mission of the Food and Drug Administration in assuring the safety of foods and the safety and efficacy of drugs, medical devices, and biologics—roughly one-fourth of all consumer products in the marketplace. In the past 10 years, 23 new laws have expanded FDA authorities, yet today FDA has 800 fewer employees to accomplish these important tasks than it did in 1979. Resources for the agency must be substantially increased if FDA is to meet the burgeoning demands for approval and inspection of foods, human and animal drugs, therapeutic and diagnostic products for various diseases, bloodbanks, and radiological products on a routine and emergency basis, and if FDA is to make advances in treatments and cure of serious illnesses, such as AIDS and cancer. Acknowledging the ever-growing demands straining FDA resources, the Committee provides increased funding of $37,000,000 to FDA for immediate, necessary management, equipment, staff and other program resource enhancements.

Management control systems.—Included in the Committee recommendation is $5,500,000 for implementation of central agencywide management control systems. Of this amount, the Committee provides up to $2,500,000 for installation of management information systems that are, to the maximum extent possible, compatible with existing agency automated data processing systems.

Within the funds provided, the Committee expects FDA to assess the priority of its regulatory, research, inspection, and consumer education activities for each center; to calculate the number and skill levels of staff currently detailed to meet these activities; and to identify organizational, staff, and equipment changes necessary to meet evolving agency demands over time. In evaluating the

agency's objectives, the Committee expects FDA to propose alternatives for low-priority activities and to improve product review and tracking systems.

The Committee expects FDA to consult with the General Accounting Office [GAO] and to provide periodic briefings to the Appropriations Committees on the progress of its management control efforts. Also, the Committee intends to consult with GAO on a regular basis.

Automated data system plans.—Due to the insufficiency of its data processing systems development, the FDA is attempting to conduct important regulatory reviews by performing outmoded, routine paperwork tasks. The result is inefficiency and delay in approval processes, hampering the availability of new medical devices and therapies, and compromising health and safety. To provide for acceleration of automated data processing system plans and procurement for the devices, drugs, and foods programs, the Committee provides $4,000,000 in fiscal year 1990.

Regulatory review training.—The Committee recommends $3,000,000 for regulatory review medical training to enable FDA to alleviate personnel shortages and to recruit and retain a permanent pool of qualified health professionals to conduct reviews of drugs, biologics, medical devices, and food additives.

Small business technical assistance.—The Committee recommends $2,500,000 to assist small businesses in the procedural and regulatory requirements of the FDA application and approval processes.

Recruitment of medical officers and scientists.—The Committee has not yet received the report requested by January 15, 1989, in the 1989 appropriations act on recruitment of medical professionals and other scientists at the FDA. The Committee directs the Commissioner of FDA to release this report directly to the Appropriations Committees by October 1, 1989.

Generic animal drugs.—Since adoption of the Generic Animal Drug and Patent Term Restoration Act (Public Law 100–670), the Center for Veterinary Medicine has been unable to meet the requirements of the act due to funding constraints. Therefore, the Committee provides $2,275,000, including up to 34 FTE's in the Center of Veterinary Medicine to comply with the act.

Acquired immune deficiency activities.—The Committee concurs with the House in rejecting the administration's proposal to combine all acquired immune deficiency syndrome [AIDS] activities into a single account. Rather, the Committee recommends $56,941,000 for AIDS-related activities, $16,521,000 above the 1989 level and the same as the House level.

Orphan Products Program.—The Committee concurs with the House in providing $9,751,000 for orphan product development activities, $2,500,000 over the 1990 budget request. Of this amount, $7,575,000 shall be available for orphan product grants and contracts.

Food labeling.—The Committee is disappointed with the slow pace and the mixed signals that the FDA has provided with respect to food labeling. The 1989 appropriations act instructed FDA to provide definitions for "commonly used, vague, and misleading nutritional and health labeling claims such as lite, low-fat, natural

and others." While FDA is not the sole determining agency in the development of uniform nutrition labeling, it does play a leading role. Thus, the Committee directs FDA to move forward in making definitions available to the consumer to ensure that food safety is not compromised, especially in cases where dietary restrictions must be taken into account, such as in claims of fat versus cholesterol content.

Personnel.—The Committee has restored bill language included in the 1989 appropriations act that would enable the Food and Drug Administration to hire clerical and support personnel on a temporary basis to meet unforeseen circumstances. Also, the Committee has increased the minimum full-time equivalent staff-years level to 7,500, which does not include personnel assigned to AIDS activities.

BUILDINGS AND FACILITIES

Appropriations, 1989	$23,950,000
Budget estimate, 1990	1,450,000
House allowance	6,950,000
Committee recommendation	12,250,000

In addition to Washington area laboratories which are in nine separate locations, there are 24 lab facilities around the country, including regular field laboratories and specialized facilities, as well as the NCTR complex. Continued repairs, modifications, and improvements to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

For FDA buildings and facilities, the Committee recommends $12,250,000. This amount is $11,700,000 less than the 1989 appropriation, $10,800,000 more than the budget request, and $5,300,000 more than the House level.

The Committee concurs with the House in noting the lack of progress in construction and operation of the AIDS facility at the National Institutes of Health campus and expects to receive the progress reports as designated by the House.

The Committee concurs with the House in providing $300,000 for the architectural and engineering work associated with the rehabilitation of the potable water treatment facility at the National Center for Toxicological Research [NCTR] at Pine Bluff, AR.

In addition, the Committee provides $2,500,000 to establish a private-public sector cooperative biotechnology demonstration project at NCTR. During fiscal year 1989, FDA is to award $500,000 to complete the feasibility study of this demonstration project.

The Committee provides $8,000,000 for the planning and design of an FDA consolidated facility, with funds made available until expended. The Committee expects that FDA will work in conjunction with the General Services Administration [GSA] to proceed in planning a Maryland-based consolidated facility examining and taking into account alternatives that are most cost effective for the

Federal Government over the long term, that include donated and federally owned property, and that include lease-purchase arrangements, but only where the lease installments are applied to the purchase price.

RENTAL PAYMENTS, FDA

Appropriations, 1989	$25,612,000
Budget estimate, 1990	25,612,000
House allowance	25,612,000
Committee recommendation	25,612,000

Annual appropriations are made to agencies of the Federal Government so that they can pay the General Services Administration [GSA] fees for rental of space and for related services.

The budget estimates for rental payments are based on GSA's projection of what it will bill agencies in the budget year. The agencies have no influence or control over how GSA sets their rates. Rental payments paid by agencies go into a fund to be used for other real property management operations, such as rental of buildings, repairs and alterations, and acquisition of new facilities. The concept behind rental payments is that all agencies pay the market value of the space they occupy, so that GSA will have the funds available to provide, in an efficient and coordinated way, for overall Federal space needs. However, in practice, agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide entirely for vacant space in GSA's inventory.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of $25,612,000 for rental payments for the Food and Drug Administration. This amount is the same as the fiscal year 1989 appropriation, the budget estimate, and the House level.

DEPARTMENT OF THE TREASURY

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

Appropriations, 1989	$175,000,000
Budget estimate, 1990	123,200,000
House allowance	88,000,000
Committee recommendation	93,000,000

The Agricultural Credit Act of 1987 (Public Law 100–233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for payment to the Farm Credit System Assistance Corporation. These payments reimburse the Corporation for interest expenses on U.S. guaranteed debt issued by the Corporation. Assistance Corporation debt proceeds will be used to provide assistance to financially troubled system institutions. Beginning in fiscal 1989, Treasury will annually reimburse 100 percent of the Assistance Corporation interest expense incurred between now and January 1993. Between January 1993 and the ensuing 5 years, Treasury will reimburse 50 percent of the Assistance Corporation's interest

expense, with system banks paying the balance. Thereafter all Assistance Corporation interest expense will be paid by system banks.

COMMITTEE RECOMMENDATIONS

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation as authorized by the Farm Credit Assistance Board, the Committee recommends $93,000,000, $82,000,000 less than the 1989 level, $30,200,000 less than the budget estimate, and $5,000,000 more than the House level.

The Committee notes that the level of funding provided is based on the level of debt currently outstanding and the estimated new debt needed by the Financial Assistance Corporation to provide assistance to the institutions of the farm credit system pursuant to the Agricultural Credit Act of 1987. By establishing a reimbursement level lower than the budget request, the Committee is not intending to limit the amount of assistance made available to the system. The Committee will expect assistance decisions to be based on the criteria established under the Agricultural Credit Act of 1987 and not limited by the amount appropriated for interest expense reimbursement. Should additional funding for interest expense become necessary, the Committee will expect the immediate submission of a request for supplemental funding.

INDEPENDENT AGENCIES

Commodity Futures Trading Commission

Appropriations, 1989	$34,723,000
Budget estimate, 1990	37,399,000
House allowance	37,691,000
Committee recommendation	37,691,000

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq., Futures Trading Commission Act of 1974, and the Futures Trading Act of 1978. The act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and further the economic utility of futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets better to serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures markets contribute toward better planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract

markets; enforcement; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC, four regional offices located in Chicago, New York, Kansas City, and Los Angeles; and a branch office located in Minneapolis.

COMMITTEE RECOMMENDATIONS

For the Commodity Futures Trading Commission, the Committee recommends $37,691,000, the same as the House level, $2,968,000 more than the amount provided in 1989, and $292,000 more than the budget request. This increase is provided for additional enforcement and market surveillance staff.

Farm Credit Administration

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Limitations, 1989	$35,000,000
Budget estimate, 1990	37,241,000
House allowance	36,120,000
Committee recommendation	36,120,000

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92–181, effective December 10, 1971. Public Law 99–205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorizes the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this new entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the banks of the Farm Credit System, and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

For the limitation on administrative expenses of the Farm Credit Administration, the Committee recommends $36,120,000. This amount is $1,120,000 more than the limitation in 1989, $1,121,000 less than the budget estimate, and the same as the House level.

The Committee notes that current law requires FCA to assess the Federal Agricultural Mortgage Corporation for all costs associated with the regulation and examination of the new secondary market for farm and rural home mortgages. The Committee expects to be kept fully informed of the allocation of assessments between FAMC and other system institutions and directs FCA to include a discussion of this allocation in future budget justification material.

FARM CREDIT SYSTEM ASSISTANCE BOARD

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 1989	$2,000,000
Budget estimate, 1990	2,309,000
House allowance	2,206,000
Committee recommendation	2,206,000

The Assistance Board was created by the Agricultural Credit Act of 1987 (Public Law 100–233) and was federally chartered in January 1988. Its members consist of the Secretaries of Treasury and Agriculture, and one other member appointed by the President with the consent of the Senate. The purposes of the Assistance Board are to authorize financial assistance to system banks, protect the stock of borrowers, and permit system banks to offer credit at competitive terms. If authorized, a system bank would issue preferred stock which would be purchased by the Farm Credit System Assistance Corporation, a new FCS institution also created by the 1987 Farm Credit Act.

The Assistance Board is also empowered to prescribe business operating plans and issue regulations to banks for whom assistance is authorized. Its authority will end December 31, 1992. Administrative costs of the Board will be paid by the Farm Credit System Financial Assistance Corporation.

COMMITTEE RECOMMENDATIONS

For a limitation on administrative expenses for the Farm Credit System Assistance Board, the Committee recommends $2,206,000. This amount is $206,000 more than the 1989 limitation, $103,000 less than the budget request, and the same as the House recommendation.

FINANCIAL ASSISTANCE CORPORATION

In the fiscal year 1989 Agricultural Appropriations Act, Public Law 100–460, Congress provided for the installment payment of Financial Assistance Corporation assessments by Farm Credit banks and associations as required under the Agricultural Credit Act of 1987. The effective date of this section is October 1, 1989, and the Committee reaffirms this provision.

TITLE VI—GENERAL PROVISIONS

Sections 601-633 of the general provisions contained in the accompanying bill are essentially the same as those included in previous appropriations bills and in the House bill. Section 608 has been amended to make the grasshopper and Mormon cricket contingency fund available until expended.

The Committee does not concur with the House in limiting the Export Enhancement Program [EEP] and has stricken section 634 of the House bill which restricted the authority of the Department to carry out an export enhancement program if the aggregate amount of funds and/or commodities under such program exceeds $770,000,000.

EXPORT ENHANCEMENT PROGRAM

The EEP was initiated in 1985 as a means of combating unfair and predatory trading practices of competing exporting countries. The program uses Commodity Credit Corporation-owned commodities as export bonuses to enable competitive offers to be made to selected markets. Since the EEP was put into place, the Department has announced 102 initiatives to 65 countries.

Apparently because of internal concern over the administration of the program and changing market conditions, the EEP program was under a de facto suspension between February and early May. Since June 9, 1989, no significant EEP initiatives have been undertaken by USDA, and 10 months into fiscal year 1989 the program volume was only about one-half as much as the previous year. Given the continued lapse in program activity, the Committee must conclude that EEP, in effect, is still suspended.

It is the concern of the Committee that important marketing opportunities can be lost as Government agencies study the EEP program. To be sure, in the case of wheat, the United States should take full advantage of the market position that it holds prior to the availability of new crop wheat from competing exporting countries.

The Department should concentrate its attention on making full use of the Export Enhancement Program, and it should aggressively operate the program to maximize U.S. exports and retain bargaining leverage in the continuing trade negotiations being conducted under the general agreement on tariffs and trade [GATT].

The United States is in a position to capture the breeder egg market in North Africa and the Middle East. Currently, unfair trade competition has closed these markets; therefore, the Secretary is urged to consider making assistance available for breeder egg exports under the Export Enhancement Program.

Section 634, regarding cost-containment procedures under the Special Supplemental Food Program for Women, Infants, and Children [WIC], has been included as in the 1990 appropriations act.

The Committee concurs with section 635 of the House bill by including language providing that none of the funds in the act shall be used to regulate the order or sequence of advances of funds to REA borrowers.

In section 636, the Committee has stricken House language regarding the purchase of sunflower and cottonseed oil and inserted language similar to that in the 1989 act providing $40,000,000 for the same program.

The Committee concurs with House sections 637 and 638 regarding pay raises and Federal funds. They are identical to provisions included in the 1989 appropriations act.

The Committee concurs with section 639 of the House bill regarding competitive research grants.

Section 640, regarding a sugar reexport program and identical to language in the 1989 appropriations act, has been included again this year.

Program, Project, and Activity

During fiscal year 1990, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Rural Development, Agriculture, and Related Agencies bill. The term "program, project, and activity" shall include the most specific level of budget items identified in the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1990, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 1990 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1990 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Soil Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farmers Home Administration the definition shall include individual State, district, and county offices.

For the Agricultural Stabilization and Conservation Service the definition shall include individual State and county offices.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee recommends the following amendments providing amounts for programs whose authorization expires as of September 30, 1989.

1. $5,368,000 for grants under the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178).

2. $1,919,990,000 for insured loans authorized by the Housing Act of 1949 (42 U.S.C. 1483, 1485).

3. $8,000,000 for mutual and self-help housing grants authorized by the Housing Act of 1949 (42 U.S.C. 1490c).

4. $4,872,044,000 for child nutrition programs authorized by the National School Lunch Act (42 U.S.C. 1751–1769b) and the Child Nutrition Act of 1966 (42 U.S.C. 1773–1785, and 1788–1789).

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

The Committee recommends no such provision.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or –)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I - AGRICULTURAL PROGRAMS							
Production, Processing and Marketing							
Office of the Secretary	1,762,000	1,789,000	1,789,000	1,789,000	+27,000	---	---
Farm and export programs plan	---	---	500,000	---	---	---	-500,000
Investigation of foreign competition	---	---	500,000	---	---	---	-500,000
Office of the Deputy Secretary	363,000	397,000	397,000	397,000	+34,000	---	---
Office of Budget and Program Analysis	4,389,000	4,554,000	4,554,000	4,554,000	+165,000	---	---
Office of the Assistant to the Secretary for Special Services	150,000	---	---	---	-150,000	---	---
Office of the Assistant Secretary for Administration	467,000	474,000	467,000	474,000	+7,000	---	+7,000
Rental payments (USDA)	50,659,000	50,659,000	49,467,000	49,467,000	-1,192,000	-1,192,000	---
Buildings operations and maintenance	21,297,000	23,609,000	23,033,000	23,033,000	+1,736,000	-576,000	---
Advisory committees (USDA)	1,494,000	1,494,000	1,494,000	1,494,000	---	---	---
Hazardous waste management	5,000,000	25,688,000	20,000,000	20,000,000	+15,000,000	-5,688,000	---
Departmental administration	21,533,000	22,500,000	22,022,000	22,022,000	+489,000	-478,000	---
Working Capital Fund	4,708,000	3,750,000	3,750,000	---	-4,708,000	-3,750,000	-3,750,000
Office of the Assistant Secretary for Governmental and Public Affairs	408,000	414,000	414,000	414,000	+6,000	---	---
Office of Governmental and Public Affairs:							
Public affairs	7,883,000	8,001,000	7,964,000	7,964,000	+81,000	-37,000	---
Congressional relations	497,000	588,000	497,000	588,000	+91,000	---	+91,000

Intergovernmental affairs	479,000	479,000	479,000	479,000	---	---	---
Total, Office of Governmental and Public Affairs	8,859,000	9,068,000	8,940,000	9,031,000	+172,000	-37,000	+91,000
Office of the Inspector General	50,491,000	52,530,000	51,576,000	52,530,000	+2,039,000	---	+954,000
Office of the General Counsel	20,836,000	22,340,000	21,316,000	22,340,000	+1,504,000	---	+1,024,000
Office of the Assistant Secretary for Economics	447,000	454,000	454,000	454,000	+7,000	---	---
Economic Research Service	49,336,000	51,714,000	50,489,000	51,714,000	+2,378,000	---	+1,225,000
National Agricultural Statistics Service	63,598,000	71,038,000	67,901,000	67,901,000	+4,313,000	-3,137,000	---
World Agricultural Outlook Board	1,820,000	2,045,000	1,936,000	1,936,000	+116,000	-109,000	---
Office of the Assistant Secretary for Science and Education	432,000	438,000	438,000	438,000	+6,000	---	---
Agricultural Research Service	561,581,000	579,318,000	589,590,000	591,447,000	+29,866,000	+12,129,000	+1,947,000
Special fund	1,800,000	1,800,000	2,000,000	2,000,000	+200,000	+200,000	---
Buildings and facilities	28,350,000	18,500,000	5,390,000	11,735,000	-16,615,000	-6,765,000	+6,345,000
Total, Agricultural Research Service	591,731,000	599,618,000	596,890,000	605,182,000	+13,451,000	+5,564,000	+8,292,000
Cooperative State Research Service	315,107,000	295,398,000	319,625,000	341,630,000	+26,523,000	+46,232,000	+22,005,000
Buildings and facilities	---	---	22,960,000	49,414,000	+49,414,000	+49,414,000	+26,454,000
Extension Service	361,370,000	324,840,000	368,950,000	366,671,000	+5,301,000	+41,831,000	-2,279,000
National Agricultural Library	14,268,000	14,947,000	14,448,000	14,947,000	+679,000	---	+499,000
Office of the Assistant Secretary for Marketing and Inspection Services	421,000	427,000	427,000	427,000	+6,000	---	---
Animal and Plant Health Inspection Service:							
Salaries and expenses	331,207,000	332,756,000	342,146,000	352,788,000	+21,581,000	+20,032,000	+10,642,000
Buildings and facilities	2,546,000	15,172,000	15,172,000	11,672,000	+9,126,000	-3,500,000	-3,500,000
Total, Animal & Plant Health Inspection Service	333,753,000	347,928,000	357,318,000	364,460,000	+30,687,000	+16,532,000	+7,122,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Food Safety and Inspection Service	404,954,000	422,799,000	422,799,000	422,799,000	+17,845,000	---	---
Federal Grain Inspection Service	8,115,000	8,255,000	8,185,000	8,185,000	+70,000	-70,000	---
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(36,856,000)	(36,856,000)	(36,856,000)	(36,856,000)	---	---	---
Agricultural Cooperative Service	4,655,000	2,303,000	4,714,000	4,714,000	+59,000	+2,411,000	---
Agricultural Marketing Service:							
Marketing Services	33,373,000	32,242,000	33,187,000	33,155,000	-218,000	+913,000	-32,000
(Limitation on administrative expenses, from fees collected)	(36,500,000)	(35,462,000)	(37,962,000)	(37,962,000)	(+1,462,000)	(+2,500,000)	---
Funds for strengthening markets, income, and supply (Section 32) (by transfer)	(7,811,000)	(8,007,000)	(8,007,000)	(8,007,000)	(+196,000)	---	---
Payments to States and possessions	942,000	---	942,000	1,500,000	+558,000	+1,500,000	+558,000
Total, Agricultural Marketing Service	34,315,000	32,242,000	34,129,000	34,655,000	+340,000	+2,413,000	+526,000
Office of Transportation	2,397,000	1,395,000	2,397,000	2,397,000	---	+1,002,000	---
Packers and Stockyards Administration	9,562,000	9,562,000	9,562,000	9,562,000	---	---	---
Total, Production, Processing and Marketing	2,388,687,000	2,404,669,000	2,493,841,000	2,555,011,000	+166,324,000	+150,342,000	+61,170,000
Farm Income Stabilization							

Office of the Under Secretary for International Affairs and Commodity Programs	413,000	419,000	419,000	419,000	+6,000	---	---
Agricultural Stabilization and Conservation Service:							
(Transfer from Commodity Credit Corporation)	(620,000,000)	(632,588,000)	(632,588,000)	(632,588,000)	(+12,588,000)	---	---
Dairy indemnity program	5,000	---	5,000	5,000	---	+5,000	---
Total, Farm Income Stabilization	(620,418,000)	(633,007,000)	(633,012,000)	(633,012,000)	(+12,594,000)	(+5,000)	---
CORPORATIONS							
Federal Crop Insurance Corporation:							
Administrative and operating expenses	201,992,000	225,626,000	225,626,000	225,626,000	+23,634,000	---	---
Federal crop insurance corporation fund	112,000,000	162,939,000	162,939,000	162,939,000	+50,939,000	---	---
Total, Federal Crop Insurance Corporation	313,992,000	388,565,000	388,565,000	388,565,000	+74,573,000	---	---
Commodity Credit Corporation:							
Reimbursement for net realized losses	8,828,286,000	4,800,000,000	4,233,000,000	4,800,000,000	-4,028,286,000	---	+567,000,000
General Sales Manager (transfer from Commodity Credit Corporation)	(7,200,000)	(7,630,000)	(7,415,000)	(7,415,000)	(+215,000)	(-215,000)	---
Total, Corporations:							
New budget (obligational) authority	9,142,278,000	5,188,565,000	4,621,565,000	5,188,565,000	-3,953,713,000	---	+567,000,000
(By transfer)	(7,200,000)	(7,630,000)	(7,415,000)	(7,415,000)	(+215,000)	(-215,000)	---
Total, title I, Agricultural Programs:							
New budget (obligational) authority	11,531,383,000	7,593,653,000	7,115,830,000	7,744,000,000	-3,787,383,000	+150,347,000	+628,170,000
(By transfer)	(627,200,000)	(640,218,000)	(640,003,000)	(640,003,000)	(+12,803,000)	(-215,000)	---
(Transfer from Sec. 32)	(7,811,000)	(8,007,000)	(8,007,000)	(8,007,000)	(+196,000)	---	---
(Limitation on obligations)	(73,356,000)	(77,318,000)	(74,818,000)	(74,818,000)	(+1,462,000)	(+2,500,000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or –)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE II - RURAL DEVELOPMENT PROGRAMS							
Rural Development Assistance							
Office of the Under Secretary for Small Community and Rural Development	416,000	424,000	424,000	424,000	+8,000	---	---
Farmers Home Administration:							
Rural Housing Insurance Fund:							
Insured loans (loan authorization)	(1,844,420,000)	(100,000,000)	(1,944,420,000)	(1,919,420,000)	(+75,000,000)	(+1,819,420,000)	(-25,000,000)
Site loans (loan authorization)	(570,000)	---	(570,000)	(570,000)	---	(+570,000)	---
Collection and servicing contracts (limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	---	---	---
Rent supplement authorization (limitation on obligations)	(275,310,000)	---	(300,310,000)	(300,310,000)	(+25,000,000)	(+300,310,000)	---
Reimbursement for interest and other losses	3,660,061,000	2,677,897,000	2,677,897,000	2,677,897,000	-982,164,000	---	---
Total, Rural Housing Insurance Fund:							
New budget (obligational) authority	3,660,061,000	2,677,897,000	2,677,897,000	2,677,897,000	-982,164,000	---	---
(Loan authorization)	(1,844,990,000)	(100,000,000)	(1,944,990,000)	(1,919,990,000)	(+75,000,000)	(+1,819,990,000)	(-25,000,000)
(Limitation on obligations)	(285,310,000)	(10,000,000)	(310,310,000)	(310,310,000)	(+25,000,000)	(+300,310,000)	---
Self-help Housing Land Development Fund (loan authorization)	(500,000)	---	(500,000)	(500,000)	---	(+500,000)	---

Agricultural Credit Insurance Fund:							
Farm ownership loans (loan authorization):							
Insured	(95,000,000)	(50,000,000)	(95,000,000)	(50,000,000)	(-45,000,000)	---	(-45,000,000)
Guaranteed	(474,000,000)	(200,000,000)	(474,000,000)	(519,000,000)	(+45,000,000)	(+319,000,000)	(+45,000,000)
Total, farm ownership loans (loan authorization)	(569,000,000)	(250,000,000)	(569,000,000)	(569,000,000)	---	(+319,000,000)	---
Operating loans (loan authorization):							
Insured	(932,500,000)	(600,000,000)	(923,000,000)	(867,500,000)	(-65,000,000)	(+267,500,000)	(-55,500,000)
Guaranteed	(2,300,000,000)	(2,800,000,000)	(2,600,000,000)	(2,600,000,000)	(+300,000,000)	(-200,000,000)	---
Total, operating loans (loan authorization)	(3,232,500,000)	(3,400,000,000)	(3,523,000,000)	(3,467,500,000)	(+235,000,000)	(+67,500,000)	(-55,500,000)
Soil and water loans (loan authorization):							
Insured	(5,500,000)	---	(11,000,000)	(5,500,000)	---	(+5,500,000)	(-5,500,000)
Guaranteed	(1,500,000)	---	(3,000,000)	(1,500,000)	---	(+1,500,000)	(-1,500,000)
Total, soil and water loans (loan authorization)	(7,000,000)	---	(14,000,000)	(7,000,000)	---	(+7,000,000)	(-7,000,000)
Indian tribe land acquisition loans (loan authorization)	(1,000,000)	---	(2,000,000)	(1,000,000)	- -	(+1,000,000)	(-1,000,000)
Emergency disaster loans (loan authorization)	(530,000,000)	(50,000,000)	(600,000,000)	(600,000,000)	(+70,000,000)	(+550,000,000)	---
Watershed and flood prevention (loan authorization)	(4,000,000)	---	(7,949,000)	(3,755,000)	(-245,000)	(+3,755,000)	(-4,194,000)
Resource conservation loans (loan authorization)	(600,000)	---	(1,207,000)	(600,000)	---	(+600,000)	(-607,000)
State mediation program (by transfer)	(3,000,000)	(2,000,000)	(3,000,000)	(4,000,000)	(+1,000,000)	(+2,000,000)	(+1,000,000)
Reimbursement for interest and other losses	3,467,596,000	4,462,159,000	4,259,000,000	4,462,159,000	+994,563,000	---	+203,159,000
Total, Agricultural Credit Insurance Fund:							
New budget (obligational) authority	3,467,596,000	4,462,159,000	4,259,000,000	4,462,159,000	+994,563,000	---	+203,159,000
(Loan authorization)	(4,344,100,000)	(3,700,000,000)	(4,717,156,000)	(4,648,855,000)	(+304,755,000)	(+948,855,000)	(-68,301,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Rural Development Insurance Fund:							
Water and sewer facility loans (loan authorization):							
Direct	(332,880,000)	(200,000,000)	(370,380,000)	(340,000,000)	(+7,120,000)	(+140,000,000)	(-30,380,000)
Guaranteed	---	(50,000,000)	(75,000,000)	(75,000,000)	(+75,000,000)	(+25,000,000)	---
Industrial development loans: Guaranteed (loan authorization)	(95,700,000)	(95,700,000)	(95,700,000)	(95,700,000)	---	---	---
Community facility loans (loan authorization):							
Direct	(95,700,000)	---	(95,700,000)	(95,700,000)	---	(+95,700,000)	---
Guaranteed	---	(50,000,000)	(24,000,000)	(50,000,000)	(+50,000,000)	---	(+26,000,000)
Reimbursement for interest and other losses	1,607,047,000	1,474,499,000	1,474,499,000	1,474,499,000	-132,548,000	---	---
Total, Rural Development Insurance Fund:							
New budget (obligational) authority	1,607,047,000	1,474,499,000	1,474,499,000	1,474,499,000	-132,548,000	---	---
(Loan authorization)	(524,280,000)	(395,700,000)	(660,780,000)	(656,400,000)	(+132,120,000)	(+260,700,000)	(-4,380,000)
Rural Development Loan Fund	---	12,000,000	12,000,000	23,000,000	+23,000,000	+11,000,000	+11,000,000
(Loan authorization)	(14,000,000)	(14,000,000)	(14,000,000)	(25,000,000)	(+11,000,000)	(+11,000,000)	(+11,000,000)
Rural water and waste disposal grants	116,895,000	75,000,000	209,395,000	209,395,000	+92,500,000	+134,395,000	---
Very low-income housing repair grants	12,500,000	10,000,000	12,500,000	12,500,000	---	+2,500,000	---
Rural housing for domestic farm labor	9,513,000	5,000,000	12,500,000	9,513,000	---	+4,513,000	-2,987,000
Mutual and self-help housing	8,000,000	---	9,500,000	8,000,000	---	+8,000,000	-1,500,000
Rural community fire protection grants	3,091,000	---	3,091,000	3,091,000	---	+3,091,000	---

Compensation for construction defects	500,000	250,000	500,000	500,000	---	+250,000	---
Rural rental assistance payments (voucher program)	---	360,000,000	---	---	---	-360,000,000	---
Rural housing preservation grants	19,140,000	15,000,000	19,140,000	19,140,000	---	+4,140,000	---
Rural development grants	6,500,000	---	6,500,000	26,500,000	+20,000,000	+26,500,000	+20,000,000
Office of the Administrator	600,000	---	600,000	600,000	---	+600,000	---
Salaries and expenses	414,734,000	418,334,000	422,934,000	422,934,000	+8,200,000	+4,600,000	---
(Transfer from loan accounts)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	---	---	---
Total, salaries and expenses	(418,734,000)	(422,334,000)	(426,934,000)	(426,934,000)	(+8,200,000)	(+4,600,000)	---
Total, Farmers Home Administration:							
New budget (obligational) authority	9,326,177,000	9,510,139,000	9,120,056,000	9,349,728,000	+23,551,000	-160,411,000	+229,672,000
(By transfer)	(7,000,000)	(6,000,000)	(7,000,000)	(8,000,000)	(+1,000,000)	(+2,000,000)	(+1,000,000)
(Loan authorization)	(6,727,870,000)	(4,209,760,000)	(7,337,476,000)	(7,250,745,000)	(+522,875,000)	(+3,041,045,000)	(-86,681,000)
(Limitation on obligations)	(285,310,000)	(10,000,000)	(310,310,000)	(310,310,000)	(+25,000,000)	(+300,310,000)	---
Rural Electrification Administration:							
Rural electrification & telephone revolving fund:							
Direct loans:							
Insured loans:							
Electric	(622,050,000)	---	(622,050,000)	(622,050,000)	---	(+622,050,000)	---
Telephone	(239,250,000)	---	(239,250,000)	(239,250,000)	---	(+239,250,000)	---
Total, insured loans (loan authorization)	(861,300,000)	---	(861,300,000)	(861,300,000)	---	(+861,300,000)	---
Guaranteed loans:							
Electric	(813,450,000)	---	(813,450,000)	(813,450,000)	---	(+813,450,000)	---
Telephone	(119,625,000)	---	(119,625,000)	(119,625,000)	---	(+119,625,000)	---
Total, guaranteed loans (loan authorization)	(933,075,000)	---	(933,075,000)	(933,075,000)	---	(+933,075,000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Reimbursement for interest and other losses...	341,000,000	---	244,100,000	244,100,000	-96,900,000	+244,100,000	---
Total, Rural electrification and telephone revolving fund:							
New budget (obligational) authority.....	341,000,000	---	244,100,000	244,100,000	-96,900,000	+244,100,000	---
(Loan authorization).....	(1,794,375,000)	---	(1,794,375,000)	(1,794,375,000)	---	(+1,794,375,000)	---
Rural telephone bank.....	28,710,000	---	28,710,000	28,710,000	---	+28,710,000	---
Direct loans (limitation on obligations).....	(177,045,000)	(125,000,000)	(177,045,000)	(177,045,000)	---	(+52,045,000)	---
Rural communication development fund.....	1,447,000	1,329,000	1,329,000	1,329,000	-118,000	---	---
Rural economic development subaccount.....	540,000	---	---	11,357,000	+10,817,000	+11,357,000	+11,357,000
Office of the Administrator.....	160,000	---	194,000	194,000	+34,000	+194,000	---
Salaries and expenses.....	31,124,000	30,862,000	31,124,000	31,124,000	---	+262,000	---
Total, Rural Electrification Administration:							
New budget (obligational) authority.....	402,981,000	32,191,000	305,457,000	316,814,000	-86,167,000	+284,623,000	+11,357,000
(Loan authorization).....	(1,794,375,000)	---	(1,794,375,000)	(1,794,375,000)	---	(+1,794,375,000)	---
(Limitation on obligations).....	(177,045,000)	(125,000,000)	(177,045,000)	(177,045,000)	---	(+52,045,000)	---
Total, Rural Development Assistance:							
New budget (obligational) authority.....	9,729,576,000	9,542,754,000	9,425,937,000	9,666,966,000	-62,610,000	+124,212,000	+241,029,000
(By transfer).....	(7,000,000)	(6,000,000)	(7,000,000)	(8,000,000)	(+1,000,000)	(+2,000,000)	(+1,000,000)
(Loan authorization).....	(8,522,245,000)	(4,209,700,000)	(9,131,801,000)	(9,045,120,000)	(+522,875,000)	(+4,835,420,000)	(-86,681,000)
(Limitation on obligations).....	(462,355,000)	(135,000,000)	(487,355,000)	(487,355,000)	(+25,000,000)	(+352,355,000)	---

Office of the Assistant to the Secretary for Natural Resources and Environment	266,000	467,000	422,000	467,000	+201,000	---	+45,000
Soil Conservation Service:							
Conservation operations	403,262,000	474,750,000	481,000,000	481,000,000	+77,738,000	+6,250,000	---
River basin surveys and investigations	12,051,000	9,600,000	12,533,000	12,051,000	---	+2,451,000	-482,000
Watershed planning	8,651,000	7,830,000	8,997,000	8,651,000	---	+821,000	-346,000
Watershed and flood prevention operations	172,373,000	96,100,000	182,373,000	182,373,000	+10,000,000	+86,273,000	---
Resource conservation and development	25,120,000	24,487,000	27,620,000	27,620,000	+2,500,000	+3,133,000	---
Great Plains conservation program	20,474,000	18,623,000	20,474,000	21,293,000	+819,000	+2,670,000	+819,000
Total, Soil Conservation Service	641,931,000	631,390,000	732,997,000	732,988,000	+91,057,000	+101,598,000	-9,000
Agricultural Stabilization and Conservation Service:							
Agricultural conservation program	176,935,000	8,000,000	184,935,000	184,935,000	+8,000,000	+176,935,000	---
Forestry incentives program	12,446,000	---	12,446,000	12,446,000	---	+12,446,000	---
Water bank program	9,000,000	12,371,000	12,371,000	12,371,000	+3,371,000	---	---
Emergency conservation program	5,000,000	---	10,000,000	10,000,000	+5,000,000	+10,000,000	---
Colorado River Basin salinity control program	5,452,000	10,420,000	10,420,000	10,420,000	+4,968,000	---	---
Conservation reserve program	1,789,000,000	1,202,000,000	1,010,978,000	1,010,978,000	-778,022,000	-191,022,000	---
Total, Agricultural Stabilization and Conservation Service	1,997,833,000	1,232,791,000	1,241,150,000	1,241,150,000	-756,683,000	+8,359,000	---
Total, Conservation:							
New budget (obligational) authority	2,640,030,000	1,864,648,000	1,974,569,000	1,974,605,000	-665,425,000	+109,957,000	+36,000
Total, title II, Rural Development Programs:							
New budget (obligational) authority	12,369,606,000	11,407,402,000	11,400,506,000	11,641,571,000	-728,035,000	+234,169,000	+241,065,000
(By transfer)	(7,000,000)	(6,000,000)	(7,000,000)	(8,000,000)	(+1,000,000)	(+2,000,000)	(+1,000,000)
(Loan authorization)	(8,522,245,000)	(4,209,700,000)	(9,131,801,000)	(9,045,120,000)	(+522,875,000)	(+4,835,420,000)	(-86,681,000)
(Limitation on obligations)	(462,355,000)	(135,000,000)	(487,355,000)	(487,355,000)	(+25,000,000)	(+352,355,000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE III - DOMESTIC FOOD PROGRAMS							
Office of the Assistant Secretary for Food and Consumer Services	406,000	412,000	412,000	412,000	+6,000	---	---
Food and Nutrition Service:							
Child nutrition programs	497,544,000	693,426,000	713,250,000	715,490,000	+217,946,000	+22,064,000	+2,240,000
(Transfer from sec. 32)	(4,093,272,000)	(4,156,554,000)	(4,156,554,000)	(4,156,554,000)	(+63,282,000)	---	---
Total, Child nutrition programs	(4,590,816,000)	(4,849,980,000)	(4,869,804,000)	(4,872,044,000)	(+281,228,000)	(+22,064,000)	(+2,240,000)
Special milk program	19,925,000	20,449,000	20,449,000	20,449,000	+524,000	---	---
Special supplemental food program for women, infants, and children (WIC)	1,929,362,000	1,961,362,000	2,126,000,000	2,126,000,000	+196,638,000	+164,638,000	---
Commodity supplemental food program	50,000,000	62,028,000	65,028,000	65,028,000	+15,028,000	+3,000,000	---
Food stamp program	12,915,329,000	13,263,485,000	13,263,485,000	14,463,485,000	+1,548,156,000	+1,200,000,000	+1,200,000,000
Nutrition assistance for Puerto Rico	898,665,000	825,000,000	925,925,000	923,925,000	+25,260,000	+98,925,000	-2,000,000
Cattle tick eradication	9,585,000	---	10,825,000	12,825,000	+3,240,000	+12,825,000	+2,000,000
Total, Food stamp program	13,823,579,000	14,088,485,000	14,200,235,000	15,400,235,000	+1,576,656,000	+1,311,750,000	+1,200,000,000
Food donations programs for selected groups:							
Needy family program	57,854,000	60,979,000	60,979,000	60,979,000	+3,125,000	---	---

Elderly feeding program	141,293,000	145,531,000	145,531,000	145,531,000	+4,238,000	---	---
Soup kitchens	40,000,000	40,000,000	40,000,000	40,000,000	---	---	---
Total, Food donations programs	239,147,000	246,510,000	246,510,000	246,510,000	+7,363,000	---	---
Temporary emergency food assistance program	50,000,000	---	50,000,000	50,000,000	---	+50,000,000	---
Commodity purchases - TEFAP	120,000,000	120,000,000	120,000,000	120,000,000	---	---	---
Food program administration	89,223,000	96,830,000	93,026,000	93,026,000	+3,803,000	-3,804,000	---
Total, Food and Nutrition Service	16,818,780,000	17,289,090,000	17,634,498,000	18,836,738,000	+2,017,958,000	+1,547,648,000	+1,202,240,000
Human Nutrition Information Service	8,823,000	9,468,000	9,145,000	9,145,000	+322,000	-323,000	---
Total, title III, Domestic Food Programs:							
New budget (obligational) authority	16,828,009,000	17,298,970,000	17,644,055,000	18,846,295,000	+2,018,286,000	+1,547,325,000	+1,202,240,000
(Transfer from sec. 32)	(4,097,272,000)	(4,156,554,000)	(4,156,554,000)	(4,156,554,000)	(+63,282,000)	---	---
TITLE IV - INTERNATIONAL PROGRAMS							
Foreign Agricultural Service	95,017,000	98,620,000	98,787,000	106,270,000	+11,253,000	+7,650,000	+7,483,000
Agricultural aid and trade missions	400,000	---	200,000	200,000	-200,000	+200,000	---
Public Law 480:							
Title I and III - Credit sales:							
Program level	(851,900,000)	(817,000,000)	(860,900,000)	(878,055,000)	(+26,155,000)	(+61,055,000)	(+17,155,000)
Direct loans	(790,900,000)	(747,000,000)	(790,000,000)	(798,055,000)	(+7,155,000)	(+51,055,000)	(+8,055,000)
Ocean freight differential	(61,000,000)	(70,000,000)	(70,900,000)	(80,000,000)	(+19,000,000)	(+10,000,000)	(+9,100,000)
Appropriation	468,100,000	265,945,000	309,845,000	327,000,000	-141,100,000	+61,055,000	+17,155,000
Title II - Commodities for disposition abroad:							
Program level	(630,000,000)	(665,000,000)	(682,100,000)	(665,000,000)	(+35,000,000)	---	(-17,100,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Appropriation	630,000,000	665,000,000	682,100,000	665,000,000	+35,000,000	---	-17,100,000
Total, Public Law 480:							
Program level	(1,481,900,000)	(1,482,000,000)	(1,543,000,000)	(1,543,055,000)	(+61,155,000)	(+61,055,000)	(+55,000)
Appropriation	1,098,100,000	930,945,000	991,945,000	992,000,000	-106,100,000	+61,055,000	+55,000
Office of International Cooperation and Development	5,319,000	4,983,000	4,376,000	6,725,000	+1,406,000	+1,742,000	+2,349,000
Scientific activities overseas (foreign currency program)	1,000,000	---	750,000	1,000,000	---	+1,000,000	+250,000
Total, title IV, International Programs:							
New budget (obligational) authority	1,199,836,000	1,034,548,000	1,096,058,000	1,106,195,000	-93,641,000	+71,647,000	+10,137,000
TITLE V - RELATED AGENCIES							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Food and Drug Administration:							
Salaries and expenses	446,924,000	385,730,000	493,230,000	524,930,000	+78,006,000	+139,200,000	+31,700,000
Acquired Immune Deficiency activities	40,420,000	56,941,000	56,941,000	56,941,000	+16,521,000	---	---
Buildings and facilities	23,950,000	1,450,000	6,950,000	12,250,000	-11,700,000	+10,800,000	+5,300,000
Rental payments (FDA)	25,612,000	25,612,000	25,612,000	25,612,000	---	---	---

Total, Food and Drug Administration.....	536,906,000	469,733,000	582,733,000	619,733,000	+82,827,000	+150,000,000	+37,000,000
DEPARTMENT OF TREASURY							
Financial Management Service:							
Payments to the farm credit system financial assistance corporation.....	175,000,000	123,200,000	88,000,000	93,000,000	-82,000,000	-30,200,000	+5,000,000
Farm Credit System Assistance Board (limitation on administrative expenses).....	(2,000,000)	(2,309,000)	(2,206,000)	(2,206,000)	(+206,000)	(-103,000)	---
INDEPENDENT AGENCIES							
Commodity Futures Trading Commission.....	34,723,000	37,399,000	37,691,000	37,691,000	+2,968,000	+292,000	---
Farm Credit Administration (limitation on administrative expenses).....	(35,000,000)	(37,241,000)	(36,120,000)	(36,120,000)	(+1,120,000)	(-1,121,000)	---
Total, title V, Related Agencies:							
New budget (obligational) authority.....	746,629,000	630,332,000	708,424,000	750,424,000	+3,795,000	+120,092,000	+42,000,000
(Limitation on obligations).....	(37,000,000)	(39,550,000)	(38,326,000)	(38,326,000)	(+1,326,000)	(-1,224,000)	---
RECAPITULATION							
Grand Total:							
New budget (obligational) authority.....	42,675,463,000	37,964,905,000	37,964,873,000	40,088,485,000	-2,586,978,000	+2,123,580,000	+2,123,612,000
(By transfer).....	(634,290,000)	(646,218,000)	(647,003,000)	(648,003,000)	(+13,803,000)	(+1,785,000)	(+1,000,000)
(Loan authorization).....	(8,522,245,000)	(4,209,700,000)	(9,131,801,000)	(9,045,120,000)	(+522,875,000)	(+4,835,420,000)	(-86,681,000)
(Limitation on obligations).....	(572,711,000)	(246,868,000)	(600,499,000)	(600,499,000)	(+27,788,000)	(+353,631,000)	---
Title I - Agricultural programs.....	11,531,383,000	7,593,653,000	7,115,830,000	7,744,000,000	-3,787,383,000	+150,347,000	+628,170,000
Title II - Rural development programs.....	12,369,606,000	11,407,402,000	11,400,506,000	11,641,571,000	-728,035,000	+234,169,000	+241,065,000
Title III - Domestic food programs.....	16,828,009,000	17,298,970,000	17,644,055,000	18,846,295,000	+2,018,286,000	+1,547,325,000	+1,202,240,000
Title IV - International programs.....	1,199,836,000	1,034,548,000	1,096,058,000	1,106,195,000	-93,641,000	+71,647,000	+10,137,000
Title V - Related agencies.....	746,629,000	630,332,000	708,424,000	750,424,000	+3,795,000	+120,092,000	+42,000,000
Total, new budget (obligational) authority.....	42,675,463,000	37,964,905,000	37,964,873,000	40,088,485,000	-2,586,978,000	+2,123,580,000	+2,123,612,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Transfer from sec. 32 (Customs Receipts).....	4,101,083,000	4,164,561,000	4,164,561,000	4,164,561,000	+63,478,000	---	---
Total obligational authority.....	46,776,546,000	42,129,466,000	42,129,434,000	44,253,046,000	-2,523,500,000	+2,123,580,000	+2,123,612,000
Memoranda:							
Direct and insured loan level.....	4,917,055,000	1,139,000,000	5,120,555,000	4,970,175,000	+53,120,000	+3,831,175,000	-150,380,000
Guaranteed loan level.....	3,804,275,000	3,095,700,000	4,105,775,000	4,149,275,000	+345,000,000	+1,053,575,000	+43,500,000
Transfers from Commodity Credit Corporation.	620,000,000	632,588,000	632,588,000	632,588,000	+12,588,000	---	---